

**ANNUAL REPORT**  
**2005 ~ 2006**



**THE CITY OF ROCHESTER, NH**  
**31 Wakefield Street**  
**Rochester, NH 03867**

[www.rochesternh.net](http://www.rochesternh.net)



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## REPORT OF THE CITY MANAGER'S OFFICE 2005-2006

This year was a time of transition and progress. City Manager Bob Steele retired after a very productive two years. His professional leadership and skilled management were much appreciated. In anticipation of his retirement, the City Council selected me to fill that responsibility. I was born in Rochester, grew up in the area and helped run the family business, Scruton's Dairy. Since 1989 I have held administrative leadership positions in Farmington, Goffstown, Nashua and Plaistow, before becoming manager in Rochester in February 2006.

The City successfully coped with a major emergency in May 2006 with extensive flooding that involved the evacuation of much of East Rochester. While there was extensive damage to municipal infrastructure, businesses and homes, there was no loss of life. Under the leadership of Fire Chief Norm Sanborn and with the cooperation of many city departments and outside organizations, the Emergency Plan worked as expected.

The City continued its investment in infrastructure with extensive work done on water, sewer, drainage, sidewalks and roadways in East Rochester. A large parking area and recreational fields were built around the Community Center. New highway equipment was purchased. Roads were paved. Sidewalks were upgraded. The City worked to protect land around its current water supply while looking for new supplies.

Rochester continued to experience growth in the commercial sector with the approval of a major mall at the junction of the Spaulding Turnpike and Washington Street. Residential lots available for development increased and the Housing Authority worked on a major affordable housing project in the old Encore Shoe Building. The efforts of CORE to join the Main Street program gathered momentum as new establishments opened in the downtown. Rochester remains a great place to live, shop and work.

Respectfully submitted,

John F. Scruton  
City Manager



John F. Scruton, City Manager

**CITY GOVERNMENT**  
**As organized January 1, 2006**

**Mayor John H. Larochelle**

**Ward 1** - David Stevens, Kevin Shultz  
**Ward 2** - Elaine Lauterborn, Sandra Keans  
**Ward 3** - Peter Lachapelle, Rick Healey  
**Ward 4** - Raymond Lundborn, Larry Goelz  
**Ward 5** - Bruce Lindsay, Ph.D., Charles "Chuck" Grassie

**City Manager** Robert D. Steele (04-04/2-06)  
John F. Scruton (2-13-06/ Present)

**STANDING COMMITTEES**

**Appointments Review Committee:** Elaine Lauterborn, Chairperson; Sandra Keans, Vice-Chairperson; Raymond Lundborn, Ralph Torr, Lisa Stanley

**Building Needs Committee:** Sandra Keans, Chairperson; Ralph Torr, Vice-Chairperson; Elaine Lauterborn, Raymond Lundborn, Kevin Shultz

**Codes & Ordinances Committee:** David Stevens, Chairperson; Elaine Lauterborn, Vice-Chairperson; Charles "Chuck" Grassie, Peter Lachapelle, Raymond Lundborn

**Community Development Committee:** Charles "Chuck" Grassie, Chairperson; Peter Lachapelle, Vice-Chairperson; Larry Goelz, Kevin Shultz, Lisa Stanley

**Finance Committee:** John Larochelle, Chairperson; Elaine Lauterborn, Vice-Chairperson; Charles "Chuck" Grassie, Sandra Keans, Bruce Lindsay, Ph.D., Raymond Lundborn, David Stevens

**Public Safety Committee:** Rick Healey, Chairperson; Bruce Lindsay, Ph.D., Vice-Chairperson; Larry Goelz, Peter Lachapelle, Kevin Shultz

**Public Works Committee:** Ralph Torr, Chairperson; Charles "Chuck" Grassie, Vice-Chairperson; Larry Goelz, Rick Healey, Sandra Keans

## SPECIAL COMMITTEES

**Highway Safety Committee:** Rick Healey, Chairperson; Bruce Lindsay, Ph.D., Vice-Chairperson; Larry Goelz, Peter Lachapelle, Kevin Shultz

**Rochester Government Channel Committee:** Peter Lachapelle, Chairperson; Rick Healey, Vice-Chairperson, Larry Goelz, John Fuchs

## CITY OFFICERS AND DEPARTMENT HEADS

Animal Control Officer	Suzanne Paradis
Chief Assessor	Brett Purvis
Checklist Supervisor, Chair	Thomas J. Jean
Chief Planner	Michael Behrendt
City Clerk	Joseph Gray
City Engineer	Thomas H. Willis, Jr.
City Health Officer	Larry Hamer
City Manager	Robert D. Steele
City Physician	Walter Hoerman
City Solicitor	Danford Wensley
Deputy Assessor	Thomas Mullin
Deputy Assessor	Victoria Lambert
Deputy Tax Collector	Karen Paquette
Director of Code Enforcement	Larry Hamer
Director of Planning	Kenneth Ortmann
Economic Development Manager	Karen Pollard
Finance Director/Treasurer	Brian LeBrun
Finance Director/Assistant Deputy Treasurer	Linda Merrill
Fire Chief	Norman Sanborn, Jr.
Fire Chief, Deputy	Francis Zombeck
Fire Chief, Assistant	Derek Peters
Ice Arena/Recreation, Parks &	
Youth Services Director	Christopher Bowlen
Library Director	John Fuchs



<p align="center"><b>CITY OFFICERS AND DEPARTMENT HEADS</b> (Continued)</p>
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Police Chief	David Dubois
Police, Deputy Chief	Michael Allen
Public Works Commissioner/Public Buildings & Grounds Director	Melodie Esterberg
Tax Collector	Doreen Jones
Welfare Director	Lynn Carey
Mayor	John H. Larochelle
Deputy Mayor	Elaine Lauterborn

<p align="center"><b>BOARDS AND COMMISSIONS</b></p>
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**Arena Advisory Commission:** David Anctil, Chairperson; Richard Clough, Robert W. Brown, Raymond McGilvray, Dale Bickford, David Colson, Joan Cadorette-Strogen

**Board of Assessors:** Brett Purvis, Chairperson; Thomas Mullin, Robert Goldstein

**Board of Health:** Thomas Moon, John Larochelle, Walter A. Hoerman, MD; Larry Hamer

**Cable TV Franchise Renewal Negotiations Committee:** Gary Stenhouse, Chairperson; Larry Goelz, Deus H. Marchacos, Dennis Schafer, Troy Taylor, Kent Hemingway, Kenn Ortmann, David Yasenchock

**Conservation Commission:** Rose Marie Rogers, Chairperson; Jeffrey Winders, Fred Gildden, Mark Toussaint, Meredith "Merry" S. Lineweber, Paul D. Marshall, Sandra Breton **Alternate Member:** John Hackett

**County Commissioners:** George Maglaras, Chairperson; Paul J. Dumont, Vice-Chairperson; Ronald Chagnon, Clerk

**Rochester Historic Commission:** Jan Kazlauskas, Chairperson; Wes Flierl, Richard Longo, Sandra Keans, Janet Pelley, Victoria Lambert, James G. Graham **Alternate Member:** Lionel Sylvain

**Licensing Board:** Robert Steele, Chairperson; David Dubois, Norman Sanborn, Jr.

**Personnel Advisory Board:** Joanne Sylvain, Brian Boudreau, Carol Themelis



## BOARDS AND COMMISSIONS

(Continued)

**Planning Board:** James G. Graham, Chairperson; A. Terese Desjardins, Vice-Chairperson; Lance Powers, Secretary; John David Meader, Raymond Varney, Rick Healey, Tim Fontneau, Alan Dews, David Dubois, **Alternate Members:** Donald Ramsey, Mark Sullivan, Kevin Shultz, Lynn Williams

**Police Commission:** Barry Flanagan, Chairperson; Paul Dumont, Gary Stenhouse

**Recreation, Parks and Youth Services Commission:** Joseph Maynard, Robert Plaisted, Jr., Robert J. Watson, Fred Chisholm, Sheila Colson, Sandra Keans, Jeffrey Turgeon

**Rochester School Board: At Large:** Anne Grassie, **Ward 1:** Peggy Parker, Audrey Stevens **Ward 2:** Daniel Harkinson, Nancy H. Warren, Chairperson **Ward 3:** John F. Connelly, Diane Moody **Ward 4:** John Rossi, Jeannette "Jae" Duntley **Ward 5:** Pamela J. Hubbard, Charles E. DeVito **Ward 6:** Frank Callaghan, Robert J. Watson

**Strafford Regional Planning Commission:** Sandra Keans, Mary Lou Beaver, Thomas H. Willis, Jr., Kenneth N. Ortmann

**Trustees of the Public Library:** Pamela J. Hubbard, Chairperson; Michael Roberts, Vice-Chairperson; Joanne V. Pallas, Secretary; Betty Meulenbroek, Treasurer; Natalie Wensley, Susan S. Hannah, **City Manager's Designee:** Martha Ortmann **Trustee Emeritus:** Marcia Nescott

**Trustees of the Trust Funds:** Marsha Miller, Brian P. Brennan

**Utility Advisory Board:** Henry T. Burks, Chairperson; Kenneth O. Johnson, Michael A. Peterson, Denis L. Cormier

**Welfare Appeals Board:** Irene Creteau, Nancy Morneault, Mary P. Flynn

**Zoning Board of Adjustment:** Ralph Torr, Chairperson; Peter Meyer, Vice-Chairperson; Randy Lavallee, Robert Johnson, Scott Benoit **Altnerate Members:** Donald Ramsey, Richard Groat, Robert Gates

## AUTHORITIES

**Rochester Housing Authority:** Arthur Nickless, Chairperson; Wilbur Boudreau, Vice-Chairperson, Stella Marcotte, Secretary/Treasurer Mark S. Hourihan Otis Perry, Cider Berry, Jerome Grossman

**Rochester Economic Development Commission (also known as: Rochester Industrial Development Authority:** Robert Mulcahy, Chairperson; David C. Tinkham, Vice-Chairperson; Janet Davis, Laura A. Ring, Warren Daniel, Jerome Grossman, John Paul Gorsky, David Azarian, Wayne Chick **Ex-Officio Members:** John Laroche, Karen Pollard

## MAYOR COMMITTEES

**Comprehensive Rezoning:** Charles “Chuck” Grassie, Chairperson; David Walker, Robert Goldstein, Sandra Keans, Alan Reed-Erickson, Lance Powers, Rick Healey, Robert Knowlton, A. Tersea Desjardins, Kenn Ortmann, Arthur Nickless

**River Walk Committee:** David Walker, Chairperson; George Allen, Lori Chase, Julien Savoie, Janet Pelley, Lisa Stanley, Robert Steele, Jeff Winders, Andrea Lemire, Rick Dumont, Mark Perry, Peter Bruckner

## ELECTION OFFICIALS

**Ward 1:** Dana Hussey, Moderator; Cindy C. Harmon, Ward Clerk; Shawn Mickelonis, Checklist Supervisor; Rhona L. Panteledes, Joyce Betz, Abigail Collins, Selectmen

**Ward 2:** Daniel J. Harkinson, Moderator; Nancy H. Warren, Ward Clerk; Kristie Olivares, Checklist Supervisor; Roger W. “Mickey” Conroy, Brian Brennan, Jean Anne Twombly, Selectmen;

**Ward 3:** Danford Wensley, Moderator, Kenneth Billings, Ward Clerk, Sandra Healey, Checklist Supervisor; Kathryn Lachapelle, Jeannine Lambert, Theresa M. Lanoix, Selectmen

**Ward 4:** Priscilla Dickie, Moderator; Pauline P. Webster, Ward Clerk; Patricia Dunlap, Checklist Supervisor; Anne Letourneau, Geraldine Lacasse, Selectmen

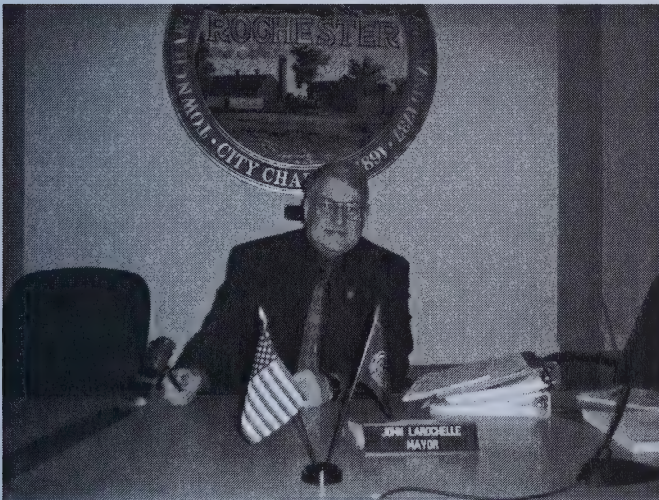
## ELECTION OFFICIALS

**Ward 5:** Thomas Bonneau, Moderator; Bonnie Bonneau, Ward Clerk; Geoffrey Bonneau, Checklist Supervisor; Kimon Lalas, Selectmen

**Ward 6:** James P. Gray, Moderator; Joanne Gray, Ward Clerk, Denise Chick, Checklist Supervisor; Kelly Gray, Jean Turgeon, Norman G. Sanborn, Sr., Selectman

**Chairperson of the Supervisors:** Thomas J. Jean

**City Clerk:** Joseph Gray



Mayor John H. Larochelle

## DIRECTORY OF CITY DEPARTMENTS

[www.rochesternh.net](http://www.rochesternh.net)

2005-2006

Assessor's Office  
19 Wakefield Street

Brett Purvis, Assessor  
332-5109

Business Office  
31 Wakefield Street

Angie Gray  
335-7602

City Clerk's Office  
31 Wakefield Street

Joseph Gray, City Clerk  
332-2130

City Manager's Office  
31 Wakefield Street

John F. Scruton, City Manager  
332-1167

Code Enforcement Office  
31 Wakefield Street

Larry Hamer, Director of Code  
Enforcement  
332-3508

Economic Development Department  
150 Wakefield Street

Karen Pollard, Economic  
Development Manager  
332-7522

Finance Office  
31 Wakefield Street

Brian LeBrun, Finance Director  
335-7609

Fire Department  
31 Wakefield Street

Norman Sanborn, Fire Chief  
330-7182

Human Resources  
31 Wakefield Street

Diane Moody  
335-7503

Information Systems  
31 Wakefield Street

Dennis Schafer  
335-7517

Planning & Development Department  
31 Wakefield Street

Kenneth Ortmann, Director of  
Planning & Development  
335-1338

Police Department  
31 Wakefield Street

David Dubois, Chief of Police  
330-7127



Public Works Department  
45 Old Dover Road

Melodie Esterberg, Public Works  
Commissioner  
332-4096

Recreation Department  
150 Wakefield Street

Christopher Bowlen, Director  
of Recreation, Arena & Youth  
Services  
332-4120

Rochester Ice Arena  
67 Lowell Street

Steve Trepanier  
335-6749

Rochester Public Library  
65 South Main Street

John Fuchs, Librarian  
332-1428

Tax Collector's Office  
19 Wakefield Street

Doreen Jones  
332-1136

Wastewater Plant  
175 Pickering Road

David Green  
335-6942

Water Billing  
19 Wakefield Street

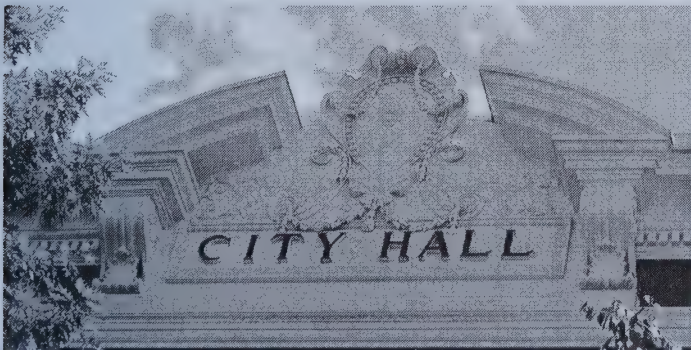
Ann Dupuis  
335-7501

Water Treatment Plant  
64 Strafford Road

MaryBeth Wiser  
335-4291

Welfare Office  
31 Wakefield Street

Lynn Carey  
335-3505



<p align="center"><b>EMPLOYEES OF THE MONTH</b>  <b>2005-2006</b></p>
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Sarah Ward	July 2005	Recreation, Arena & Youth Services
James Grant	August 2005	Code Enforcement Department
Lisa Clark	September 2005	Public Works Department
Donald Labrecque	October 2005	Public Works Department
Ea Ksander	November 2005	Planning & Development Department
Shirley McCrillis	December 2005	Finance Department
Kristen Henderson	January 2006	Public Works Department
Dennis Schafer & Lew Ricker	February 2006	MIS Department
Daniel Meehan	March 2006	Fire Department
Shane Tufts	April 2006	Public Buildings Department
Jay Daigle	May 2006	Police Department
Diane Moses	June 2006	City Clerk's Department

<p><b>REPORT OF THE ASSESSOR'S OFFICE</b> <b>2005-2006</b></p>
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TO THE CITY MANAGER AND CITY COUNCIL OF THE CITY OF ROCHESTER

**ASSESSOR'S INVENTORY**

**LAND VALUATION:**

Residential.....	492,452,049
Commercial/Industrial (Does not include Utility land).....	185,610,251
Current Use.....	1,569,014

**TOTAL VALUE OF TAXABLE LAND..... 679,631,314**

**BUILDING VALUATIONS**

Residential.....	1,185,975,614
Manufactured Housing.....	158,603,100
Commercial/Industrial (Does not include Utility Bldgs).....	233,018,486

**TOTAL OF TAXABLE BUILDINGS..... 1,577,595,200**

**PUBLIC UTILITIES**

Gas.....	6,392,700
Electric.....	24,000,800

**TOTAL PUBLIC**

**UTILITIES..... 30,393,500**

**EXEMPTIONS**

Blind (29).....	1,360,900
Elderly (422).....	27,971,500
Disabled (67).....	2,746,700

**TOTAL AMOUNT OF**

**EXEMPTION..... 32,079,100**

**Net Valuation on which the tax rate for the Municipal, County & local**

**Education Tax is computed..... 2,255,466,914**

**Less Public Utility**

**Valuations.....30,393,500**

Net Valuation without Utilities on which tax rate for State  
Education Tax  
Computed.....**2,225,073,414**

Respectfully submitted,

**Brett S. Purvis**  
Chief Assessor



<b>REPORT OF THE CITY CLERK'S OFFICE</b> <b>2005-2006</b>
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The mission of the City Clerk's Office is to provide for the administration of federal, state, and local statutes, the maintenance of official municipal records and issuance of various licenses and documents in a highly efficient and effective manner. In addition, the City Clerk's Office will maintain the integrity of the election process by conducting fair and impartial elections.

The City Clerk's Office recorded the votes and proceedings of the City Council at Regular, Special and City Council Workshop meetings; published and indexed the minutes of all City Council meetings in accordance with RSA 91-A:4; and provided informational copies of minutes to all affected citizens, boards, commissions, and department heads. The City Clerk's Office also prepared agendas, informational packets, and minutes for the following: City Council Regular, Special, Workshop and Public Hearing meetings.

From July 1, 2005, through June 30, 2006, 349 persons were born in the City of Rochester. The City Clerk's Office also processed 249 death records and issued 221 marriage licenses during the same period.

Notary services were provided to 822 persons.

Six Uniform Commercial Code Financing Statement (UCC) searches and terminations were made in this office. UCC's are filed with the Secretary of State's Office, UCC Division, Concord, NH. The City of Rochester receives reimbursement from the Secretary of State's Office for all Rochester UCC's filed with the Secretary of States Office. The City of Rochester continues to conduct UCC searches and accept NH Department of Revenue Administration Liens, Federal Tax Liens, Hospital Liens, and Town Tax Liens on Manufactured Housing. This number should eventually go to zero as the State performs those searches now.

The City Clerk's Office issued 4,639 dog licenses during the year.

Following is a summary of the City Clerk's revenues for Fiscal Year 2005-2006

Certified Copies of Vital Records	14,130.00
Marriage Applications	\$ 1,526.00
Dog Licenses	\$41,688.00
UCC Fees	\$ 90.00
Notary Services/Miscellaneous Revenues	\$ 3,699.00
 Total Revenues	 \$61,133.00

The City Clerk's Office Supervised, (1) Municipal Election, on November 1, 2005. The City Clerk's Office accepted new voter registrations, declarations of party affiliation, and changes to address/ward and names; provided in-home voter registration for the elderly and disabled; coordinated and attended all sessions of the Supervisors of the Checklist; maintained and updated the City's computerized voter checklist, and printed all required checklists.

Five applications for the Adams-Pray Fund were processed for approximately \$257.60 per applicant.

I would like to express my gratitude to my staff: Deputy City Clerk Sheryl Eisenberg, who became the first Deputy Clerk in ten years, Assistant Clerk Diane Moses, and Kelly Walters, who joined the office in June of 06. Their hard work contributed to a successful year in the Clerks Office

Respectfully submitted,

Joseph R. Gray  
City Clerk of Rochester



**Parson Main**

## **AMENDMENTS TO ORDINANCES**

### **JULY 2005 – JUNE 2006**

- Relative to Activities Permissible on Sunday, Activities Not Permissible, Chapter 24.1 – Adopted 2/7/06
- Relative to City-Owned Parking Lots, Chapter 62.3 – Adopted 12/6/05
- Relative to Emergency Fire Alarms, Chapter 33 – Adopted 6/6/06
- Relative to Fire Department Organization, Chapter 22 – Adopted 6/6/06
- Relative to Fire Safety Measures, Chapter 23.7 and 23.8 – Adopted 3/7/06
- Relative to Impact Fees, Chapter 42.31 – Adopted 8/2/05
- Relative to Local Discharge Limits, Chapter 16.9 – Adopted 10/4/2005
- Relative to Sewer User Rate, Chapter 16.25 – Adopted 6/26/06
- Relative to Water User Rate, Chapter 17.24 – Adopted 6/26/06
- Relative to Winter All-Night Parking Ban, Chapter 62.2 – Adopted 12/6/05
- Relative to Use of Parks, Chapter 21.2 (j) – Adopted 6/06/06
- Repealing Section 11.22 of the General Ordinances of the City of Rochester Relative to the So-Called “Merit Plan” – Failed 6/27/06



Rochester Common

<p style="text-align: center;"><b>RESOLUTIONS ADOPTED BY CITY COUNCIL</b>  <b>JULY 2005 – JUNE 2006</b></p>
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- Accepting and Appropriating Excess Host Community Fees – Adopted 6/6/06
- Accepting Donation to the City of Rochester Department of Public Works from Advanced Recycling for Improvements to Wallace Street and Making a Supplemental Appropriation in Connection Therewith – Adopted 4/4/06
- Accepting Donation to the Rochester Fire Department from George J. Maxfield VFW Post 1772 and Making a Supplemental Appropriation in Connection Therewith – Adopted 8/2/05
- Accepting Donations to the Rochester Fire Department from the Rochester Wal-Mart and the UPS Foundation and Making a Supplemental Appropriation in Connection Therewith – Adopted 11/1/05
- Accepting Donation to the Rochester Police Department from George J. Maxfield VFW Post 1772 and Making a Supplemental Appropriation in Connection Therewith – Adopted 9/6/05
- Accepting Donation to the Rochester Police Department from George J. Maxfield VFW Post 1772 and Making a Supplemental Appropriation in Connection Therewith – Adopted 1/10/06
- Accepting Drug Forfeiture “Equitable Sharing” Distributions to the Rochester Police Department from the U.S. Department of Justice and Making a Supplemental Appropriation in Connection Therewith – Adopted 5/23/06
- Accepting Grant to the Rochester Police Department from the New Hampshire Police Standards & Training Council and Making a Supplemental Appropriation in Connection Therewith – Adopted 9/5/05
- Accepting Grant to the Rochester Police Department from the New Hampshire Police Standards & Training Council and Making a Supplemental Appropriation in Connection Therewith (Sgt Thomas) – Adopted 2/7/06
- Accepting Grant to the Rochester Police Department from the New Hampshire Police Standards & Training Council and Making a Supplemental Appropriation in Connection Therewith (Deputy Chief Allen) – Adopted 2/7/06
- Accepting Grant to the Rochester Police Department from the New Hampshire Police Standards & Training Council and Making a Supplemental Appropriation in Connection Therewith (SWAT Training) – Adopted 2/7/06
- Accepting Grant to the Rochester Police Department of a “Byrne Memorial Justice Assistance Grant” and Making a Supplemental Appropriation in Connection Therewith – Adopted 11/1/05
- Accepting Hannaford Grant and Making s Supplemental Appropriation in Connection Therewith – Adopted 2/7/06
- Accepting NH Citizens Corps Grant and Making a Supplemental Appropriation in Connection Therewith – Adopted 4/4/06
- Accepting the Provisions of RSA 162-K Relative to Municipal Economic Development and Revitalization Districts – Adopted



- Accepting Unanticipated Grants to the Rochester School Department and Making a Supplemental Appropriation in Connection Therewith – Adopted 5/2/06
- Approving the 2006-2007 Community Development Budget – Adopted 5/2/06
- Approving 2006-2007 Operating Budget for the City of Rochester – Adopted 6/27/06
- Authorizing Application for Homeland Security Related Grant by City of Rochester – Adopted 5/23/06
- Authorizing City Manager to Convey Land – Adopted 4/4/06
- Authorizing City Manager to Enter into Negotiations with State of NH for City to Acquire a Portion of Former Railroad Right-of-Way Property in Vicinity of South Main Street and Columbus Avenue – Adopted 4/4/06
- Authorizing City Manager to Enter into Purchase and Sale Agreement with Respect to Acquisition of Water Supply Related Land in Barrington, NH and Making a Supplemental Appropriation in Connection Therewith – Adopted 2/7/06
- Authorizing City Manager to Enter into Purchase and Sale Agreement with Respect to Acquisition of Water Supply Related Land in Barrington, NH and Accepting a Grant and Making a Supplemental Appropriation in Connection Therewith – Adopted 3/21/06
- Authorizing Acceptance of Conveyance of Land Interests in Connection with Stewart Court – Adopted 3/7/06
- Authorizing Access to Jenness Cemetery Pursuant to RSA 289:14 – Adopted 5/2/06
- Authorizing and Approving 2006-2007 Capital Budget for the City of Rochester and Authorizing Certain Bonding in Connection Therewith – Adopted 6/27/06
- Authorizing City Manager to Negotiate Purchase of Round Pond Watershed Property for Watershed Protection Purposes – Adopted 8/16/05
- Authorizing City Manager to Purchase Property Situate on NH Rte. 11 for Water Supply Related and Other Purposes – Adopted 8/2/05
- Authorizing City of Rochester to Grant Conservation Easement to Strafford Rivers Conservancy with Respect to 15.7 Acre Portion of the So-Called “Henderson Parcel” – Adopted 8/16/05
- Authorizing Conveyance of Easement – Adopted 6/20/06
- Authorizing Conveyance of Fill and Drainage Easement Over City Owned Land – Adopted 3/7/06
- Authorizing Exchange of City Owned Land – Adopted 3/7/06
- Authorizing Issuance of Building Permit on Old Ox Road Pursuant to RSA 674:41, I (c) – Adopted 5/2/06
- Authorizing Issuance of Building Permit Pursuant to RSA 674:41, I(d) – Adopted 6/20/06
- Authorizing Police Department Application for Highway Safety Grant – Adopted 3/7/06
- Authorizing Sale of City Owned Land Acquired by Tax Deeds – Adopted 3/7/06

- Authorizing Supplemental Appropriations to the 2005-2006 Capital Budget of the City of Rochester for the East Rochester Infiltration and Inflow Elimination Project and Authorizing Bonding in Connection Therewith – Adopted 8/2/05
- Authorizing Supplemental Appropriations to the 2005-2006 Operating Budget of the City of Rochester for Hot Top/Cold Patch Paving Work – Adopted 8/2/05
- Authorizing Supplemental Appropriations to the 2005-2006 Capital Budget of the City of Rochester for the New Hampshire Rte. 11 Widening Project and Authorizing Bonding in Connection Therewith – Adopted 12/5/05
- Deauthorizing Various Capital Improvement Project Appropriations – Adopted 6/27/06
- Establishing Income and Asset Levels for Real Property Tax Exemption for the Blind, Disabled and Elderly in the City of Rochester for the 2006 Tax Year and Thereafter – Adopted 3/7/06
- Expanding Purposes for Department of Planning and Development Capital Improvement Program Account – Adopted 6/6/06
- For Supplemental Appropriation to the Conservation Fund Pursuant to the Provisions of Section 11.21(c) of the General Ordinances of the City of Rochester – Adopted 6/20/06
- In Support of Implementation of a Main Street Program for the City of Rochester – Adopted 6/6/06
- Regarding Acceptance of 2005 Homeland Security Grant Program Grants and Making Supplemental Appropriations in Connection Therewith – Adopted 8/2/05
- Transferring Funds Between Departments and Making Supplemental Appropriations in Connection Therewith – Adopted 3/7/06

<p align="center"><b>REPORT OF THE CODE ENFORCEMENT DEPARTMENT</b>  <b>2005- 2006</b></p>
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The Code Enforcement Department has been extremely active. As the population of the City of Rochester has grown to almost 31,000 residents, so does the responsibility of the department to enforce applicable rules and regulations of the City of Rochester. This office remains dedicated to this responsibility and will continue its program of proactive code enforcement ensuring the health and safety of the citizens of Rochester.

The total revenue collected by the Code Enforcement Department is categorized as follows:

Food Establishment License	\$ 29,470.50
Code Enforcement Permits	5,900.00
Building Permits	567,502.09
Miscellaneous Permits & Fees	1,759.99
	<hr/>
TOTAL	\$604,632.58
Less Refunds, Waived Fees (Veteran & Municipal Status)	<122,024.00>
	<hr/>
TOTAL	\$ 482,608.58

The total amount expended by the department was \$393,783.87

**BUILDING INSPECTION**

The major duties of the department include the administration of National Codes, the review and issuance of building permits, and the inspection of construction sites to ensure conformance of these codes; additionally enforce compliance of the Zoning Ordinance and Planning Board approvals.

A total of 2,685 permits were issued with an estimated building cost of \$66,547,357.00. With the combination of building, health, and miscellaneous inspections and activities, there were 4,484 inspections completed. Additionally there were 1,988 plans reviewed.

## **HEALTH**

The major health related duties of the department continue to be the licensing and inspections of two hundred twenty eight of the City's food service establishments. We have worked closely with the owners and operators to ensure compliance with the New Hampshire rules for the sanitary production and distribution of food. During the year each food establishment was inspected a minimum of two to three times. As a whole, Rochester's food establishments are in full compliance.

The department also performed inspections of day care and foster home facilities, investigated housing code complaints and responded to various health- related concerns for the citizens of Rochester.

### ***The Board of Health comprised the following members:***

Dr. Thomas Moon, D.V.M. - Chairman  
John Larochele, Mayor  
Dr. Walter A Hoerman, M.D.  
Mr. Larry A. Hamer, Health Officer – Secretary  
Vacant

## **CODE ENFORCEMENT**

Other general activities by the department include: Inspection and licensing of mobile home parks, licensing of movie theaters, pool tables, video games, all taxi (company, drivers, and cars), junk yards, motor vehicle junk yards, second hand dealers, and hawkers & peddlers. The department has also investigated 348 citizen complaints and zoning infractions.

Respectfully submitted,

Larry A. Hamer  
Director  
Code Enforcement Services



<p style="text-align: center;"><b>CONSERVATION COMMISSION</b> <b>2005 - 2006</b></p>
--

The Conservation Commission focus for 2006 was as follows:

- 1) Educating and delegating certain functions to individual Commission members; and encouraging members to work together.
- 2) The Commission was very busy reviewing site plans that will impact wetlands and buffers. It also received and investigated several complaints of wetland violations.
- 3) The Commission worked to keep the City Council and Planning Board aware of its activities.
- 4) The Commission spent considerable time on land protection issues, including finishing up a lingering to-do list related to the Gagne Farm easement. In addition, the Commission worked with the City of Dover on a preservation project on the Holley farm on the Rochester/Dover border. Commission members planned a land preservation workshop to be held in early 2007.
- 5) The Commission worked closely with the planning department to take advantage of the professional expertise available which increased our efficiency and scope of operations. The commission is delighted and grateful for this assistance.

Respectfully Submitted

Mark Toussaint, Chair  
Conservation Commission

## **REPORT OF ECONOMIC DEVELOPMENT 2005 - 2006**

The Economic Development Department completed a very successful year of operations focused on Business Attraction, Retention and Expansion, Downtown Revitalization, Marketing, Fiscal Management and Administration and Establishing Economic Development Strategy and Policy. The year included success in every area.

The Economic Development Department handled 75 successful projects in attraction, expansion or retention of business and industry. These projects retained 1,754 jobs, and created 2,330 new ones in Rochester. These businesses occupied or will construct 1,787,292 square feet of space in the City.

Downtown Revitalization with CORE - Community Organization for Rochester Enhancement has had some excellent results, with many 17 new businesses opened or expanded, and a growing sense of community pride in Downtown. The City worked with CGI Communications to install a community-wide banner program with broad-based business support. New crosswalks, plantings and pavement overlays improved the look of Downtown. The Downtown Sign and Façade Program provided incentives for more than \$100,000 in remodeling projects on 3 major commercial buildings. CORE continues to achieve the goals in the Downtown Master Plan, and has more than 100 active participants. The Department is coordinating the application to the NH Main Street Program to be completed in Summer 2006, enlisting public and private support for this proven revitalization program. Downtown remains an underperforming area of the City, but the recent revaluation saw significant increases indicating a positive trend and increasing demand for commercial space in Downtown.

The Plan NH Charette regarding the Riverwalk in the FY 2005 year did produce a public-private committee led by the past Mayor David Walker, and plans are in development for a phased project incorporated more than 3 miles of walkways funded by the Economic Development Fund. This committee continues to grow and interest is high in how this plan may complement the Rochester Main Street efforts for economic revitalization.

Business Attraction and Retention was very successful, and a large number of projects involved retail or commercial development. The Flatley Company began construction of their 325,000 sf shopping center to be located at Exit 13 of the Spaulding Turnpike, with more than \$2.7 million in off-site improvements. Also under construction is the largest Wal-Mart SuperCenter in New Hampshire at 219,000 sf. The new 65,000 sf Hannaford on North Main opened in January 2006. The Route 11 corridor continues to develop with Holiday Inn Express, Black Dog Car Wash, Granite Steak & Grill, Meineke Car Care, The Futon Store, and a Bistro Pizza Hut & Seacoast Harley Davidson all under construction. Approved but not yet built include 4 Seasons RV, Spinelli's Cinemas, Dunkin Donuts and a 2-bay car wash near Exit 14. Tax Increment Financing has been discussed as an alternative to construct a loop and frontage road on Route 11 to relieve traffic congestion and open access to 400 acres from Crane Drive to the Farmington town line. The City Council approved RSA 162K in the Fall of 2005. A Build-Out Analysis

will be needed for the potential district, as well as a complete Development Plan. These next steps will be undertaken as part of the overall development strategy.

Brady Sullivan Properties based in Manchester has purchased 440,000 sf of space left vacant by Cabletron & Enterasys, which closed in Sept 2005, and has been aggressively marketed by them. Stonewall Kitchen of York, Maine relocated their national warehouse and distribution center to 100,000 sf on Milton Road and hired 65 new employees. Northeastern Nonwovens relocated from Utica, New York and occupies 74,000 sf in the same building. The office building at 35 Industrial Way is being marketed to insurance companies, call centers and other office users with hope of larger users coming forward soon. Building 36 has been condominiumized and has smaller office suites available, with only 20,000 sf remaining available. The former Salmon Falls Precision building has been subdivided also and is now 100% leased, the tenants are SpecTex, Phase II Medical, Horne Construction and Granite State Plating.

The JOB Loan Program completed three financing projects, one restaurants, one manufacturer and one retailer. Big Head's was located on Hanson Street until a devastating fire burnt the building down to the ground along with Colby's Tavern. The owners purchased Vathally's Spagetti Western, a 9,000 sf restaurant on North Main Street and have given new life to the area in the evenings. Distinctive Forest Creations sell finished or unfinished wood furniture. The owner was displaced by the Enterasys closings. Nantucket Beadboard was able to purchase advanced equipment with their JOB Loan, enabling them to get traditional financing to expand their facility by 10,000 sf. There continues to be strong demand in the program.

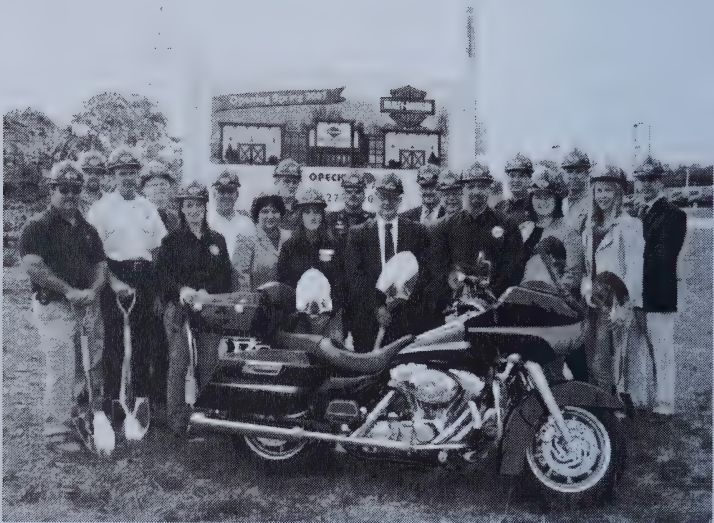
Business were severely impacted by the flooding in May 2005, about 30 lost business due to road closures and loss of electricity. More than a dozen lost inventory due to water damage. The most impacted were Bacon & Boston Felt in East Rochester, Brand Partners, All Door & Lock and Arts Rochester in the Gonic Mill, Rochester Design Center - Therrien's Furniture, Rochester Stove, and the Wyandotte Falls Complex of the Rochester Housing Authority. Many other businesses suffered with losses and business disruptions. The Economic Development Department worked with NH Department of Resources and Economic Development attempted to contact and document the damages, and we contacted more than 150 Rochester businesses. We continued to communicate with the affected businesses as emergency status was confirmed and Federal Funds became available. These funds were in the form of SBA loans rather than grants, and most businesses elected to handle clean up and inventory replacement from other sources. Local financial institutions also developed emergency programs and stepped in quickly to support the business community.

The State Legislature's deadline regarding the transfer of ownership for Skyhaven Airport is June 30, 2006. The Rochester Economic Development Commission hoped to focus the discussion on facts related to economic impact and commissioned a basic study by the Association of American Airport Executives. This study found more than \$5 million annually was generated by Ossipee Valley Aviation and the other businesses benefiting from Skyhaven. These include Frisbie Hospital, Horne Construction, Liberty

Mutual, Velcro, Enterprise Car Rental and many more. The study did not consider many other factors, including what ways that impact could be increased or the question of management and ownership. Alternatives for more data gathering are being reviewed while public interest continues.

Respectfully submitted,

Karen Pollard  
Economic Development  
Manager



Harley-Davidson Groundbreaking Ceremony



**REPORT OF THE CITY FINANCE OFFICE  
2005-2006**

For the fiscal year ending June 30<sup>th</sup>, 2006 the City's fiscal health is excellent. Continued close monitoring of City accounts and fund balances will ensure future stability.

The following financial statements and auditor's report substantiates the fiscal health of the City.

As of June 30, 2006 the City returned sufficient funds to the General Fund to remain above the required 5% undesignated unreserved portion of fund balance. Subsequent to June 30, 2006, a portion of the fund balance was used to offset taxes.

Fiscal Year 2005-2006 was overall financially positive for the City of Rochester.

Respectfully Submitted,

Brian G. LeBrun  
Finance Director

EXHIBIT A  
CITY OF ROCHESTER, NEW HAMPSHIRE  
Statement of Net Assets  
June 30, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 7,793,403		\$ 7,793,403
Investments	22,644,660		22,644,660
Taxes receivable, net	893,305		893,305
Accounts receivable, net	1,640,937	\$ 1,790,328	3,431,265
Due from other governments	1,387,637	4,800,509	6,188,146
Internal balances	1,511,060	(1,511,060)	-
Prepaid expenses	12,191	13,793	25,984
Inventory	19,617	204,366	223,983
Tax deferred property	122,279		122,279
Total Current Assets	<u>36,025,089</u>	<u>5,297,936</u>	<u>41,323,025</u>
Noncurrent Assets:			
Non-depreciable capital assets	17,258,001	6,999,247	24,257,248
Depreciable capital assets, net	71,780,631	56,661,242	128,441,873
Total Noncurrent Assets	<u>89,038,632</u>	<u>63,660,489</u>	<u>152,699,121</u>
Total Assets	<u>\$ 125,063,721</u>	<u>\$ 68,958,425</u>	<u>\$ 194,022,146</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 2,291,581	\$ 132,736	\$ 2,424,317
Accrued expenses	4,754,131	924,437	5,678,568
Retainage payable	336,438	334,816	671,254
Deposits	406,527	1,732	408,259
Deferred revenue	14,582,607	5,000	14,587,607
Deferred bond premium	187,089		187,089
Current portion of bonds payable	5,143,725	3,193,557	8,337,282
Total Current Liabilities	<u>27,702,098</u>	<u>4,592,278</u>	<u>32,294,376</u>
Noncurrent Liabilities:			
Bonds payable	44,396,442		44,396,442
Notes payable		23,900,779	23,900,779
Compensated absences	967,116		967,116
Total Noncurrent Liabilities	<u>45,363,558</u>	<u>23,900,779</u>	<u>69,264,337</u>
Total Liabilities	<u>73,065,656</u>	<u>28,493,057</u>	<u>101,558,713</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	39,498,465	36,566,153	76,064,618
Restricted	6,696,527		6,696,527
Unrestricted	5,803,073	3,899,215	9,702,288
Total Net Assets	<u>51,998,065</u>	<u>40,465,368</u>	<u>92,463,433</u>
Total Net Assets and Liabilities	<u>\$ 125,063,721</u>	<u>\$ 68,958,425</u>	<u>\$ 194,022,146</u>

See accompanying notes to the basic financial statements

EXHIBIT B  
CITY OF ROCHESTER, NEW HAMPSHIRE  
Statement of Activities  
For the Year Ended June 30, 2006

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Assets			
		Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
General government	\$ 3,431,072	\$ 172,986	\$ -	\$ -	\$ (3,258,086)
Public safety	9,334,924	284,945	382,008	12,136	(8,655,835)
Highways and streets	5,857,612	89,109	498,635	-	(5,269,868)
Health and welfare	788,158	-	-	-	(788,158)
Culture and recreation	1,517,800	-	-	-	(1,517,800)
Community development	509,480	-	-	-	(509,480)
Community services	605,787	-	-	-	(605,787)
Education	45,392,550	570,879	252,147	-	(44,569,524)
Food service	1,572,691	168,573	23,196,106	-	(1,381,912)
Capital outlay	38,963	888,540	654,697	31,618	(37,513)
Interest and fiscal charges	2,070,062	-	-	-	(2,070,062)
Intergovernmental	4,379,097	-	-	-	(4,379,097)
Total governmental activities	75,498,196	2,315,210	24,983,593	43,754	(48,155,639)
<b>Business-type activities:</b>					
Sewer	3,849,919	3,801,484	-	-	(48,435)
Water	2,466,213	2,879,848	-	-	413,635
Area	412,789	404,519	-	-	(8,270)
Total business-type activities	6,728,921	7,085,851	-	-	356,930
Total primary government	\$ 82,227,117	\$ 9,401,061	\$ 24,983,593	\$ 43,754	\$ (47,803,709)
<b>General revenues:</b>					
Property taxes				38,421,656	38,421,656
Licenses and permits				4,793,221	4,793,221
Intergovernmental revenue				1,621,618	1,621,618
Interest and investment earnings				217,994	217,994
Miscellaneous				18,066	18,066
Capital contributions				3,883,643	3,883,643
Total general revenues and transfers				49,592,731	49,592,731
Change in net assets				1,437,092	1,437,092
Net assets - beginning - (as restated)				50,560,973	50,560,973
Net assets - ending				\$ 51,998,065	\$ 51,998,065

See accompanying notes to the basic financial statements

EXHIBIT C  
CITY OF ROCHESTER, NEW HAMPSHIRE  
Balance Sheet  
Governmental Funds  
June 30, 2006

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,621,681		\$ 171,722	\$ 7,793,403
Investments	22,593,445		51,215	22,644,660
Taxes receivable, net	893,305			893,305
Accounts receivable, net	1,176,498		464,439	1,640,937
Due from other governments		\$ 310,003	1,077,634	1,387,637
Due from other funds	5,356,136	4,293,070	3,166,668	12,815,874
Prepaid expenses	12,191			12,191
Inventory	3,244		16,373	19,617
Tax deferred property	122,279			122,279
Total Assets	<u>\$ 37,778,779</u>	<u>\$ 4,603,073</u>	<u>\$ 4,948,051</u>	<u>\$ 47,329,903</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,332,185	\$ 707,730	\$ 251,666	\$ 2,291,581
Accrued expenses	3,750,510		12,468	3,762,978
Retainage payable		336,438	-	336,438
Deposits	406,527			406,527
Deferred revenue	14,756,519	25,760	390,156	15,172,435
Due to other funds	10,203,692		1,101,122	11,304,814
Total Liabilities	<u>30,449,433</u>	<u>1,069,928</u>	<u>1,755,412</u>	<u>33,274,773</u>
<b>FUND BALANCES</b>				
Reserved for endowments			38,331	38,331
Reserved for prepaid expenses	12,191			12,191
Reserved for inventory	3,244		16,373	19,617
Reserved for special purposes	20,000			20,000
Unreserved reported in:				
General fund	7,293,911			7,293,911
Special revenue funds			3,125,051	3,125,051
Capital projects funds		3,533,145	-	3,533,145
Permanent funds			12,884	12,884
Total Fund Balances	<u>7,329,346</u>	<u>3,533,145</u>	<u>3,192,639</u>	<u>14,055,130</u>
Total Liabilities and Fund Balances	<u>\$ 37,778,779</u>	<u>\$ 4,603,073</u>	<u>\$ 4,948,051</u>	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				89,038,632
Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis				589,828
Deferred debt expense is recognized on an accrual basis in the statement of net assets, not the modified accrual basis				(187,089)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:				
Bonds payable				(49,540,167)
Compensated absences				(967,116)
Accrued interest on long-term obligations				(991,153)
Net assets of governmental activities				<u>\$ 51,998,065</u>

See accompanying notes to the basic financial statements



**EXHIBIT D**  
**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2006**

Revenues:	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Taxes	\$ 38,140,208			\$ 38,140,208
Licenses and permits	4,793,221			4,793,221
Intergovernmental	22,194,740			22,194,740
Charges for services	60,688,746			60,688,746
Interest	970,238			970,238
Miscellaneous	2,117,430	1,024,687		3,142,117
Total Revenues	69,796,326	1,066,205		70,862,531
Expenditures:				
Current operations:				
General government	3,176,383		794	3,177,177
Public safety	9,036,942		106,933	9,143,875
Highways and streets	2,220,418			2,220,418
Health and welfare	788,185			788,185
Culture and recreation	1,463,474		4,457	1,467,931
Community development	971,193		412,287	1,383,480
Community services			604,599	604,599
Education			3,601,661	3,601,661
Food service	40,832,882		1,585,632	42,418,514
Capital outlay		11,419,361		11,419,361
Debt service:				
Intergovernmental	3,468,948			3,468,948
Interest and fiscal charges	1,543,558			1,543,558
Intergovernmental	4,379,097			4,379,097
Total Expenditures	67,406,080	11,419,361	6,296,363	85,121,804
Excess of revenues over (under) expenditures	1,990,246	(10,353,056)	(105,154)	(8,467,964)
Other financing sources (uses):				
Proceeds from issuance of debt		17,275,843		17,275,843
Operating transfers in	365,057	386,000	602,940	1,353,997
Operating transfers out	(585,082)	(619,415)	(158,509)	(1,362,997)
Total other financing sources (uses)	(220,025)	17,111,428	444,440	17,335,843
Excess of revenues and other sources over expenditures and other uses	1,770,221	6,758,372	339,286	8,867,879
Fund balances (Deficit) at beginning of year, as restated	5,559,125	(3,225,227)	2,893,353	5,187,251
Fund balances at end of year	\$ 7,329,346	\$ 3,533,145	\$ 3,192,639	\$ 14,055,130

See accompanying notes to the basic financial statements

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2006**

New Change in Fund Balances—Total Governmental Funds	\$ 8,867,879
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	6,593,743
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	281,448
Proceeds from bond issues are an other financing source in the funds, but a bond issue increases long-term liabilities in the statement of net assets.	(17,235,843)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,468,948
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(327,504)
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(11,579)
Change in Net Assets of Governmental Activities	\$ 1,437,092

EXHIBIT F  
CITY OF ROCHESTER, NEW HAMPSHIRE  
Statement of Net Assets  
Proprietary Funds  
June 30, 2006

	Business-type Activities			
	Sewer Fund	Water Fund	Arena Fund	Totals
<b>ASSETS</b>				
Current Assets:				
Accounts receivable, net	\$ 959,550	\$ 830,778		\$ 1,790,328
Due from other governments	4,726,097	74,412		4,800,509
Due from other funds	1,928,911	763,236	\$ 59,426	2,751,573
Prepaid expenses		13,793		13,793
Inventory		204,366		204,366
Total Current Assets	<u>7,614,558</u>	<u>1,886,583</u>	<u>59,426</u>	<u>9,560,569</u>
Noncurrent Assets:				
Non-depreciable capital assets	4,111,978	2,815,296	71,973	6,999,247
Depreciable capital assets, net	38,406,879	17,180,109	1,074,254	56,661,242
Total Noncurrent Assets	<u>42,518,857</u>	<u>19,995,405</u>	<u>1,146,227</u>	<u>63,660,489</u>
Total Assets	<u>\$ 50,133,415</u>	<u>\$ 21,881,990</u>	<u>\$ 1,205,653</u>	<u>\$ 73,221,058</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	\$ 70,503	\$ 58,204	\$ 4,029	\$ 132,736
Accrued expenses	715,250	180,537	28,650	924,437
Retainage payable	181,622	153,194		334,816
Deferred revenue			1,732	1,732
Deposits		5,000		5,000
Due to other funds	2,187,413	2,075,220		4,262,633
Current portion of notes payable	1,570,329	1,565,992	57,236	3,193,557
Total Current Liabilities	<u>4,725,117</u>	<u>4,038,147</u>	<u>91,647</u>	<u>8,854,911</u>
Noncurrent Liabilities:				
Notes payable	19,612,035	3,358,627	930,117	23,900,779
Total Noncurrent Liabilities	<u>19,612,035</u>	<u>3,358,627</u>	<u>930,117</u>	<u>23,900,779</u>
Total Liabilities	<u>24,337,152</u>	<u>7,396,774</u>	<u>1,021,764</u>	<u>32,755,690</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	21,336,493	15,070,786	158,874	36,566,153
Unrestricted (Deficit)	4,459,770	(585,570)	25,015	3,899,215
Total Net Assets	<u>25,796,263</u>	<u>14,485,216</u>	<u>183,889</u>	<u>40,465,368</u>
Total Liabilities and Net Assets	<u>\$ 50,133,415</u>	<u>\$ 21,881,990</u>	<u>\$ 1,205,653</u>	<u>\$ 73,221,058</u>

See accompanying notes to the basic financial statements

EXHIBIT F  
**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
For the Year Ended June 30, 2006

	Business-type Activities			
	Sewer Fund	Water Fund	Arena Fund	Totals
Operating revenues:				
Charges for services	\$ 3,801,484	\$ 2,879,848	\$ 404,519	\$ 7,085,851
Miscellaneous	3,889	14,139	38	18,066
Total operating revenues	<u>3,805,373</u>	<u>2,893,987</u>	<u>404,557</u>	<u>7,103,917</u>
Operating expenses:				
Personal services	831,262	966,802	175,805	1,973,869
Materials and supplies	313,390	277,561	10,478	601,429
Utilities	683,811	109,620	99,852	893,283
Depreciation	912,302	669,745	43,501	1,625,548
Miscellaneous	224,327	257,549	42,431	524,307
Total operating expenses	<u>2,965,092</u>	<u>2,281,277</u>	<u>372,067</u>	<u>5,618,436</u>
Operating income	<u>840,281</u>	<u>612,710</u>	<u>32,490</u>	<u>1,485,481</u>
Non-operating revenues (expenses):				
Interest revenue	198,750	17,994	1,250	217,994
Interest expense	(884,827)	(184,936)	(45,722)	(1,115,485)
Net non-operating revenues (expenses)	<u>(686,077)</u>	<u>(166,942)</u>	<u>(44,472)</u>	<u>(897,491)</u>
Income (Loss) before contributions and transfers	154,204	445,768	(11,982)	587,990
Capital contributions	<u>5,584</u>	<u>170,740</u>		<u>176,324</u>
Change in net assets	159,788	616,508	(11,982)	764,314
Total net assets at beginning of year	<u>25,636,475</u>	<u>13,868,708</u>	<u>195,871</u>	<u>39,701,054</u>
Total net assets at end of year	<u>\$ 25,796,263</u>	<u>\$ 14,485,216</u>	<u>\$ 183,889</u>	<u>\$ 40,465,368</u>

See accompanying notes to the basic financial statements

EXHIBIT G  
**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2006**

	Business-type Activities			
	Sewer Fund	Water Fund	Arena Fund	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 4,045,585	\$ 3,493,521	\$ 407,540	\$ 7,946,646
Cash paid to suppliers and employees	(2,017,111)	(1,621,206)	(321,401)	(3,959,718)
Net cash provided by operating activities	<u>2,028,474</u>	<u>1,872,315</u>	<u>86,139</u>	<u>3,986,928</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(2,258,566)	(2,890,383)		(5,148,949)
Proceeds of note payable	1,083,858	577,669		1,661,527
Principal paid on note payable	(1,660,584)	(1,511,457)	(57,235)	(3,229,276)
Interest paid on note payable	(898,990)	(187,125)	(46,670)	(1,132,785)
Capital contributions	5,584	160,000	-	165,584
Net cash used for capital and related financing activities	<u>(3,728,698)</u>	<u>(3,851,296)</u>	<u>(103,905)</u>	<u>(7,683,899)</u>
Cash flows from investing activities:				
Interest on investments	198,750	17,994	1,250	217,994
Net cash provided by investing activities	<u>198,750</u>	<u>17,994</u>	<u>1,250</u>	<u>217,994</u>
Net (decrease) in cash and cash equivalents	(1,501,474)	(1,960,987)	(16,516)	(3,478,977)
Cash and cash equivalents at beginning of year	1,242,972	649,003	75,942	1,967,917
Cash and cash equivalents at end of year	<u>\$ (258,502)</u>	<u>\$ (1,311,984)</u>	<u>\$ 59,426</u>	<u>\$ (1,511,060)</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 840,281	\$ 612,710	\$ 32,490	\$ 1,485,481
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation expense	912,302	669,745	43,501	1,625,548
Changes in assets and liabilities:				
Accounts receivable, net	(78,763)	(73,186)	3,288	(148,661)
Due from other governments	318,975	679,675		998,650
Prepaid expenses	-	8,827	-	8,827
Inventory		(34,142)		(34,142)
Accounts payable	27,155	(5,637)	572	22,090
Accrued expenses	8,524	16,278	6,593	31,395
Deferred revenue		(6,955)	(305)	(7,260)
Deposits		5,000		5,000
Net cash provided by operating activities	<u>\$ 2,028,474</u>	<u>\$ 1,872,315</u>	<u>\$ 86,139</u>	<u>\$ 3,986,928</u>

See accompanying notes to the basic financial statements



**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

The NHPDIP was created by state law and is administered by a public body of state, local and banking officials.

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The City's exposure to derivatives is indirect through its participation in the NHPDIP. The City's proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

**NOTE 5--DUE FROM OTHER GOVERNMENTS**

Receivables from other governments at June 30, 2006 consists of various federal and state reimbursement receivables. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables is as follows:

State of New Hampshire - Bridge Aid	\$ 77,769
State of New Hampshire	232,234
Community Development Block grant	12,569
Police grants	33,153
Homeland Security grant	2,099
Food service reimbursement	47,090
State and federal school grant reimbursements	982,723
State filtration grant	4,726,097
Sewer state aid grant reimbursement	<u>74,412</u>
	<u>\$ 6,188,146</u>

**NOTE 6--CAPITAL ASSETS AND DEPRECIATION**

The following is a summary of changes in capital assets in the governmental funds:

	Balance 7/1/2005	Additions	Reductions	Balance 6/30/2006
Governmental activities:				
Capital asset not depreciated:				
Land	\$ 5,703,100	\$ 1,037,476		\$ 6,740,576
Construction in process	<u>4,643,824</u>	<u>11,380,399</u>	<u>\$(5,506,798)</u>	<u>10,517,425</u>
Total capital assets not being depreciated	<u>10,346,924</u>	<u>12,417,875</u>	<u>\$(5,506,798)</u>	<u>17,258,001</u>
Other capital assets:				
Infrastructure	109,856,786	3,067,953		112,924,739
Land improvements	3,510,347	323,195		3,833,542
Buildings and improvements	48,585,399	359,737		48,945,136
Vehicles and equipment	<u>8,812,743</u>	<u>808,103</u>		<u>9,620,846</u>
Total other capital assets at historical cost	<u>170,765,275</u>	<u>4,558,988</u>	<u>-</u>	<u>175,324,263</u>

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

Less accumulated depreciation for:

Infrastructure	(76,043,406)	(3,463,640)	(79,507,046)
Land improvements	(1,721,032)	(166,179)	(1,887,211)
Buildings and improvements	(15,191,837)	(929,143)	(16,120,980)
Vehicles and equipment	(5,411,035)	(617,360)	(6,028,395)
Total accumulated depreciation	(98,367,310)	(5,176,322)	(103,543,632)
Total other capital assets, net	72,397,965	(617,334)	71,780,631
Total capital assets, net	<u>\$ 82,744,889</u>	<u>\$ 11,800,541</u>	<u>\$ (5,506,798)</u>
			<u>\$ 89,038,632</u>

Depreciation was charged to functions as follows:

General government	\$ 260,347
Public safety	313,551
Highways and streets	3,637,057
Culture and recreation	51,801
Community services	1,188
Education	906,422
Food service	5,936
Total governmental activities depreciation expense	<u>\$ 5,176,322</u>

The following is a summary of changes in capital assets in the proprietary funds:

	Balance 7/1/2005	Additions	Reductions	Balance 6/30/2006
Business-type activities:				
Capital asset not depreciated:				
Land	\$ 2,221,430			\$ 2,221,430
Construction in process	3,314,403	\$ 3,757,198	\$(2,293,784)	4,777,817
Total capital assets not being depreciated	<u>5,535,833</u>	<u>3,757,198</u>	<u>(2,293,784)</u>	<u>6,999,247</u>
Other capital assets:				
Infrastructure	29,480,352	3,163,951		32,644,303
Buildings and improvements	43,343,044	17,728		43,360,772
Vehicles and equipment	2,983,624	665,280		3,648,904
Total other capital assets at historical cost	<u>75,807,020</u>	<u>3,846,959</u>	<u>-</u>	<u>79,653,979</u>
Less accumulated depreciation for:				
Infrastructure	(8,758,112)	(568,535)		(9,326,647)
Buildings and improvements	(10,868,051)	(885,042)		(11,753,093)
Vehicles and equipment	(1,741,026)	(171,971)		(1,912,997)
Total accumulated depreciation	<u>(21,367,189)</u>	<u>(1,625,548)</u>	<u>-</u>	<u>(22,992,737)</u>
Total other capital assets, net	<u>54,439,831</u>	<u>2,221,411</u>	<u>-</u>	<u>56,661,242</u>
Total capital assets, net	<u>\$ 59,975,664</u>	<u>\$ 5,978,609</u>	<u>\$(2,293,784)</u>	<u>\$ 63,660,489</u>

Depreciation was charged to proprietary funds as follows:

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

Sewer fund	\$ 912,302
Water fund	669,745
Arena fund	43,501
Total business-type activities depreciation expense	<u>\$ 1,625,548</u>

**NOTE 7--DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The City contributes to the New Hampshire Retirement System (NHRS), a cost-sharing, multiple-employer, defined benefit pension plan administrated by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report can be obtained by writing to New Hampshire Retirement System at 4 Chencell Drive, Concord, New Hampshire 03301-8509.

***Funding Policy***

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas teachers and general employees are required to contribute 5.0% of their covered salary. The City is required to contribute at an actuarially determined rate. The City's contribution rates for the covered payroll of police officers, fire employees, teachers, and general employees were 9.68%, 14.36%, 3.70%, and 6.81%, respectively. The City contributes 65% of the employer cost for police officers, fire employees, and teachers, and the State of New Hampshire contributes the remaining 35% of the employer cost. The City contributes 100% of the employer cost for general employees. In accordance with accounting principles generally accepted in the United States of America (GASB #24), on-behalf fringe benefits contributed by the State of New Hampshire of \$725,639 have been reported as a revenue and expenditure of the General Fund in these financial statements.

Under State law (RSA-100:16), plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The City's contributions to the NHRS for the years ending June 30, 2006, 2005 and 2004 were \$1,953,476, \$1,497,738, and \$1,482,202, respectively, equal to the required contributions for each year.

**NOTE 8--GENERAL DEBT OBLIGATIONS**

***General Long-term Obligations***

The changes in the City's long-term debt obligations for the year ended June 30, 2006 are as follows:

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

	Balance 7/1/2005	Additions	Reductions	Balance 6/30/2006	Due Within One Year
Governmental activities:					
Bonds payable	\$ 36,060,361	\$ 17,148,754	\$ (3,668,948)	\$ 49,540,167	\$ 5,143,725
Compensated absences	955,537	434,182	(422,603)	967,116	-
Total governmental activities	<u>\$ 37,015,898</u>	<u>\$ 17,582,936</u>	<u>\$ (4,091,551)</u>	<u>\$ 50,507,283</u>	<u>\$ 5,143,725</u>
Business-type activities:					
Bonds/Notes payable	\$ 28,509,360	\$ 1,824,992	\$ (3,240,016)	\$ 27,094,336	\$ 3,193,557
Total business-type activities	<u>\$ 28,509,360</u>	<u>\$ 1,824,992</u>	<u>\$ (3,240,016)</u>	<u>\$ 27,094,336</u>	<u>\$ 3,193,557</u>

Governmental Activities

Bonds payable at June 30, 2006 are comprised of the following individual issues:

	Original Issue Amount	Interest Rate	Final Maturity Date	Balance at 6/30/06
Capital bond issue #3	\$ 4,605,250	variable	October 2007	\$ 498,675
1991 NHMBB	5,484,100	6.80%	December 2010	1,371,025
1991 NHMBB	13,031,515	6.80%	January 2011	2,865,000
1992 Series D bonds	1,194,500	variable	January 2013	420,000
Refinancing bonds 1994	6,259,500	variable	November 2009	2,059,470
1995 Series bond issue	2,440,000	variable	August 2015	1,200,000
1996 Series bond issue	1,197,000	variable	August 2016	651,000
1997 Series bond issue	1,320,000	variable	August 2017	780,000
1998 Series A	1,779,000	variable	August 2018	1,067,521
2000 Series bond issue	12,084,500	variable	August 2020	5,660,723
2002 Series bond issue	6,383,000	variable	August 2022	5,408,000
2004 Series bond issue	11,169,735	variable	July 2024	10,410,000
2005 Series bond issue - 20 year	3,724,700	variable	January 2026	3,724,700
2005 Series bond issue - 15 year	285,000	variable	January 2021	285,000
2005 Series bond issue - 10 year	2,144,568	variable	January 2016	2,144,568
2005 Series bond issue - Honeywell	9,611,575	variable	January 2016	9,611,575
2005 QZAB	1,382,910	0%	December 2020	1,382,910
Totals	<u>\$ 66,948,100</u>			<u>\$ 49,540,167</u>

Debt service requirements to retire general obligation bonds outstanding at June 30, 2006 are as follows:

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

Year Ending June 30,	Principal	Interest	Total
2007	\$ 5,143,725	\$ 2,290,966	\$ 7,434,691
2008	5,128,197	1,955,157	7,083,354
2009	4,859,317	1,722,461	6,581,778
2010	4,562,838	1,490,906	6,053,744
2011	4,240,641	1,283,730	5,524,371
2012-2016	15,656,286	4,093,469	19,749,755
2017-2021	6,961,163	1,476,582	8,437,745
2022-2026	2,988,000	285,686	3,273,686
Total	<u>\$ 49,540,167</u>	<u>\$ 14,598,957</u>	<u>\$ 64,139,124</u>

**Business-type Activities**

Bonds payable at June 30, 2006 are comprised of the following individual issues:

	Issue Amount	Interest Rate	Maturity Date	Balance at 6/30/06
Capital bond issue #5	\$ 3,388,450	variable	October 2007	\$ 416,325
1991 NHMBB	615,900	6.80%	January 2011	153,975
1992 Series D bonds	405,500	variable	January 2013	140,000
Refinancing bonds 1994	13,240,500	variable	November 2009	2,340,530
1996 Series bond issue	280,000	variable	August 2016	154,000
1998 Series A	871,000	variable	August 2018	637,480
2000 Series bond issue	1,772,000	variable	August 2020	1,248,777
2002 Series bond issue	2,253,000	variable	August 2022	1,893,000
2002 State Revolving loan fund	19,036,378	variable	August 2020	14,424,422
2004 Series bond issue	2,181,000	variable	July 2024	2,065,000
2005 Series bond issue	261,015	variable	January 2026	261,015
2005 State Revolving loan fund	716,020	variable	January 2015	644,418
Totals	<u>\$ 45,020,763</u>			<u>\$ 24,378,942</u>

Debt service requirements to retire general obligation bonds outstanding, net of principal forgiveness from the State of New Hampshire to be forgiven over a period of 10 years from the start of the individual State Revolving Loan Funds of \$107,403 at June 30, 2006 are as follows:



**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

Year Ending June 30,	Principal	Interest	Total
2007	\$ 3,182,817	\$ 999,245	\$ 4,182,062
2008	2,056,486	887,720	2,944,206
2009	1,840,366	796,064	2,636,430
2010	1,566,847	731,910	2,298,757
2011	1,484,043	666,664	2,150,707
2012-2016	6,986,272	2,422,281	9,408,553
2017-2021	6,472,448	961,139	7,433,587
2022-2026	693,000	57,648	750,648
Total	<u>\$ 24,282,279</u>	<u>\$ 7,522,671</u>	<u>\$ 31,804,950</u>

Interest expense for the year ended June 30, 2006 was \$3,185,547 on general obligation debt for the City of Rochester. The State of New Hampshire annually reimburses the City for its share of Sewer related debt service payments. For the year ended June 30, 2006, the reimbursement was \$196,789.

***State Revolving Loan***

The U.S. Environmental Protection Agency sponsors a low interest rate loan program. The loans are administered by the States and are used by local communities to improve their water systems. In fiscal year 2006, the City borrowed an additional \$1,563,977 through the New Hampshire Water Pollution Control Revolving Fund Program. \$716,020 of the notes payable was converted into general obligation bonds during the year. Total funding to date is \$2,715,394, which is reported as "notes payable" in the Enterprise Funds. Interest is accrued at 1% to be paid upon completion of construction project within the next year.

***Authorized and Unissued Debt***

The following debt was authorized and unissued as of June 30, 2006:

Purpose	Amount	Total
Governmental Funds:		
2001 Authorized	\$ 235,183	
2002 Authorized	439,000	
2003 Authorized	742,400	
2004 Authorized	1,698,117	
2005 Authorized	7,195,985	
2006 Authorized	4,743,500	
School 2003 Authorized	19,500	
School 2004 Authorized	217,000	
School 2005 Authorized	1,070,000	
School 2006 Authorized	<u>833,000</u>	
Total Governmental		\$ 17,193,685

SCHEDULE 1  
**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Budgetary Basis) - General Fund**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 37,916,629	\$ 38,164,561	\$ 38,421,656	\$ 257,095
Licenses and permits	4,618,445	4,618,445	4,793,221	174,776
Intergovernmental	21,087,823	21,087,823	21,469,101	381,278
Charges for services	670,206	670,206	680,489	10,283
Interest income	375,000	375,000	870,238	495,238
Miscellaneous	2,581,326	2,581,326	2,717,430	136,104
Total Revenues	<u>67,249,429</u>	<u>67,497,361</u>	<u>68,952,135</u>	<u>1,454,774</u>
Expenditures:				
Current:				
General government	3,575,298	3,474,041	3,176,383	297,658
Public safety	9,004,839	8,974,096	8,740,375	233,721
Highways and streets	2,284,037	2,349,837	2,220,418	129,419
Health and welfare	642,296	774,296	788,185	(13,889)
Culture and recreation	1,495,522	1,495,522	1,463,474	32,048
Community development	96,507	96,507	97,193	(686)
Education	41,177,422	41,177,422	40,403,810	773,612
Debt service:				
Principal retirement	3,696,993	3,696,993	3,668,948	28,045
Interest and fiscal charges	1,742,558	1,742,558	1,742,558	-
Intergovernmental	4,379,097	4,379,097	4,379,097	-
Total Expenditures	<u>68,094,569</u>	<u>68,160,369</u>	<u>66,680,441</u>	<u>1,479,928</u>
Excess revenues over (under) expenditures	<u>(845,140)</u>	<u>(663,008)</u>	<u>2,271,694</u>	<u>2,934,702</u>
Other financing uses:				
Operating transfers in	365,057	365,057	365,057	-
Operating transfers out	(207,500)	(455,432)	(585,082)	(129,650)
Total other financing uses	<u>157,557</u>	<u>(90,375)</u>	<u>(220,025)</u>	<u>(129,650)</u>
Excess revenues over (under) expenditures and other uses	<u>(687,583)</u>	<u>(753,383)</u>	<u>2,051,669</u>	<u>2,805,052</u>
Fund balances at beginning of year				
- Budgetary Basis	<u>5,867,505</u>	<u>5,867,505</u>	<u>5,867,505</u>	<u>-</u>
Fund balances at end of year				
- Budgetary Basis	<u>\$ 5,179,922</u>	<u>\$ 5,114,122</u>	<u>\$ 7,919,174</u>	<u>\$ 2,805,052</u>

See accompanying notes to the required supplementary information

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

	General Fund	Due from			Totals
		Nonmajor Governmental Funds	Sewer Fund	Water Fund	
General Fund		\$ 1,101,122	\$ 2,187,413	\$ 2,067,601	\$ 5,356,136
Capital Projects Fund	\$ 4,293,070				4,293,070
Nonmajor Governmental Funds	3,166,668				3,166,668
Water Fund	763,236				763,236
Sewer Fund	1,921,292			7,619	1,928,911
Arena Fund	59,426				59,426
	<u>\$ 10,203,692</u>	<u>\$ 1,101,122</u>	<u>\$ 2,187,413</u>	<u>\$ 2,075,220</u>	<u>\$ 15,567,447</u>

**NOTE 10--INTERFUND TRANSFERS**

During the year, several interfund transactions occurred between funds. The various operating transfers were made in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2006 are as follows:

	General Fund	Transfer from		Totals
		Capital Projects Fund	Nonmajor Governmental Funds	
General Fund		\$ 365,057		\$ 365,057
Capital Projects Fund	\$ 227,500		158,500	386,000
Nonmajor Governmental Funds	357,582	245,358		602,940
	<u>\$ 585,082</u>	<u>\$ 610,415</u>	<u>\$ 158,500</u>	<u>\$ 1,353,997</u>

**NOTE 11--RESTRICTED NET ASSETS**

Net assets are restricted for specific purposes as follows:

	Governmental Activities
Endowments	\$ 38,331
Special Revenue Funds	3,125,051
Capital Projects	3,533,145
	<u>\$ 6,696,527</u>

**NOTE 12--PERMANENT FUNDS**

Cemetery care funds are accounted for as permanent funds. The principal amounts of all cemetery funds are restricted in that only income earned may be expended. Principal and income balances at June 30, 2006 are as follows:

	Principal	Income	Total
Cemetery Funds	\$ 38,331	\$ 12,884	\$ 51,215

**CITY OF ROCHESTER, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

Business-type Funds:	
Sewer 2001 Authorized	\$ 150,000
Sewer 2002 Authorized	209,100
Sewer 2003 Authorized	700,000
Sewer 2004 Authorized	3,330,000
Sewer 2005 Authorized	3,060,500
Sewer 2006 Authorized	3,038,000
Water 2001 Authorized	610,000
Water 2002 Authorized	525,201
Water 2003 Authorized	695,000
Water 2004 Authorized	1,250,000
Water 2005 Authorized	4,244,550
Water 2006 Authorized	4,893,912
Total Business-type	<u>22,706,263</u>
Combining Total	<u>\$ 39,899,948</u>

**Available Debt Margin**

The City is subject to State statute which limits debt outstanding to a percentage (dependent of purpose) of a valuation calculation made annually by the State. As of June 30, 2006, the City had the following available debt margins:

	Net Debt <u>Outstanding</u>	% of Assessed <u>Valuation</u>	Statutory <u>Limit</u>	Available <u>Debt Limit</u>
School	\$ 23,079,429	7.00%	\$ 166,860,281	\$ 143,780,832
Water	4,438,867	10.00%	238,371,830	233,932,963
All other	27,448,091	3.00%	71,511,549	44,063,458

Per State law, debt incurred for sewer expansion is not included in the limitation calculations.

**Overlapping Debt**

The City's proportionate share of debt of other governmental units which provide services within the City's boundaries, and which must be borne by the resources of the City, is summarized below (unaudited):

<u>Related Entity</u>	Total <u>Principal</u>	City's <u>Percent</u>	City's <u>Share</u>
Strafford County	<u>\$ 24,942,838</u>	21.541%	<u>\$ 5,372,962</u>

This liability is appropriately not reported in the accompanying financial statements.

**NOTE 9--INTERFUND BALANCES**

The City has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reposted in the specific funds as an interfund balance. Interfund balances at June 30, 2006 are as follows:

## REPORT OF THE FIRE DEPARTMENT 2005-2006

The primary mission of the Rochester Fire Department is to provide a range of programs designed to protect and maintain the quality of life within the City of Rochester through Fire Prevention, Fire Suppression and Rescue activities.

### ORGANIZATION

The City of Rochester Fire Department is a 78-member "combination" organization providing fire, rescue, and public assistance services to the Rochester, East Rochester and Gonic sections of this community.

The department serves a community with an estimated population of 32,000 residents in a 49.2 square mile area from two fire stations which are covered 24/7.

The Chief of the Fire Department reports to the Rochester City Manager under the City Manager form of government.

On behalf of all the members of the Rochester Fire Department, it is with great pride that we present this annual report for the fiscal year covering July 1, 2005 through June 30, 2006.

The Rochester Fire Department continues to provide a high level of service for a community that is rapidly growing. Our relationship with this community is built on trust, respect and history. This annual report is yet another example of our dedication and is a direct reflection of our personal involvement, sense of pride and belonging to the service area. Our committed firefighters care about the service that we as an organization provide the community.

The increased demand for service is a daily challenge. We continue our emphasis on being proactive by providing programs that assist the community to prevent and minimize fire and safety concerns through continued Fire Prevention efforts and public fire and life safety education programs. The Fire Prevention office continues to work on fire code compliance and also working with the citizens of Rochester to give them a better understanding of the fire code issues.

Increasing the City of Rochester's preparedness for large-scale emergencies has been a focus throughout the year. Work is continuing in areas such as shelter capabilities, development of a comprehensive All Hazards Plan, interoperable communications and Public Health.

During this period, our department responded to 9 serious building fires, which required the entire department to be called back to duty. Two of these fires required multiple alarms, with many departments providing mutual aid.



We have experienced events this year that have truly been out of the ordinary. In January we had a large loss fire at Colby's Restaurant on Hanson Street. In terms of dollars, this was one of the costliest fire we have seen the past several years. In May the city experience major flooding. This incident created one of the largest evacuations in the Cities' history. The departments overall calls for service has continued to see an increase over last year.

The critical factor in any fire department's emergency calls for service is the firefighters and fire officers. They will be the first contact the citizens will have at an emergency call. What they do and how they perform will be what is remembered. We are very fortunate to have a dedicated, caring staff at all levels of the department who deliver outstanding service.

I would like to recognize the men and women of the Rochester Fire Department for their dedication, hard work and strong commitment to our community. The firefighters and fire officers continue to meet the challenges of a changing fire service. Whether you look at the changing faces of the fire department, equipment changes or changes in service, you will see that the Rochester Fire Department is making significant strides to keep pace with the changing world.

I would like to extend my thanks to Ron Lachapelle, our Department Chaplin, for his contributions to the department and the community. I also would like to thank the other City Departments, boards and committees who are part of making this department successful in completing its mission.

My thanks also go out to the Mayor, City Council and City Manager for their continued support of the Fire Department. With their support we continue to be an outstanding organization, which is well respected throughout the community.

Respectfully submitted,

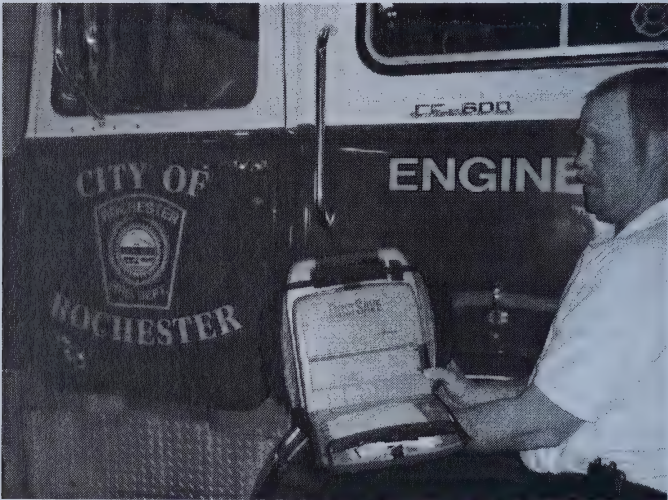
Norman Sanborn, Jr.  
Chief of Department

## FIRE DEPARTMENT RESPONSE ACTIVITY

<b>EMERGENCY RESPONSE CALLS</b>	<b>FY 06</b>
<b>Fire, other</b>	<b>4</b>
Building Fire	20
Cooking fire, confined to container	9
Chimney fire	7
Fuel burner/boiler malfunction	14
Trash or rubbish fire	4
Fire in mobile home	3
Mobile property (vehicle) fire, other	1
Passenger vehicle fire	29
Brush fire	5
Outside rubbish fire	25
Outside rubbish, trash or waste fire	3
Dumpster or other outside trash receptacle fire	7
Special outside fire	4
Steam rupture of pressure or process vessel	1
Excessive heat, scorch burns with no ignition	1
Explosion (no fire), other	2
Medical assist, assist EMS crew	204
Emergency medical service, other	7
EMS call, excluding vehicle accident with injury	14
Vehicle accident with injuries	135
Motor vehicle/pedestrian accident	17
Motor vehicle accident with no injuries	127
Lock-in	1
Extrication of victim from vehicle	4
Extrication, rescue, other	1
Removal of victim(s) from stalled elevator	2
Hazardous condition	39
Trench/below grade rescue	1
Extrication of victim(s) from machinery	1
Water & ice related rescue, other	3
Electrocution or potential electrocution	1
Gasoline or other flammable liquid spill	25
Gas leak (natural gas or LPG)	24
Oil spill	9
Toxic condition, other	1
Chemical spill, leak, hazard	6
Carbon monoxide incident	12
Electrical wiring/equipment problem	11
Overheated motor	1

Heat from short circuit (wiring), defective/worn	2
Power line down	54
Arching, shorted electrical equipment	19
Accident, potential accident	1
Building or structure weakened or collapsed	2
Aircraft standby	2
Vehicle accident, general cleanup	141
Attempted burning, illegal action, other	5
Service call	54
Person in distress	2
Lockout	30
Water problem	105
Water evacuation	14
Water or steam leak	5
Smoke or odor removal	9
Animal rescue	8
Public service assistance	6
Assist police	18
Police matter	2
Public service	5
Assist invalid	12
Unauthorized burning	54
Cover assignment	32
Good intent call	65
Wrong location	1
No incident found on arrival at dispatch address	16
Authorized controlled burning	19
Smoke scare, odor of smoke	57
Steam, vapor, fog or dust thought to be smoke	2
EMS call, party transported by non-fire agency	5
Hazmat release investigation w/no hazmat	2
False alarm or false call	10
Malicious, mischievous false call	2
Municipal alarm system, malicious false alarm	4
Bomb scare – no bomb	6
System malfunction	8
Sprinkler activation-no fire-malfunction	3
Smoke detector activation due to malfunction	21
Heat detector activation due to malfunction	1
Alarm system sounded due to malfunction	132
CO detector activation due to malfunction	7
Unintentional transmission of alarm, other	7
Sprinkler activation, no fire-unintentional	6
Extinguishing system activation	1

Smoke detector activation, no fire-unintentional	35
Alarm system sounded, no fire, unintentional	87
Carbon monoxide detector activation, no CO	15
Flood assessment	11
Lightening strike-no fire	4
Special type of incident, other	2
<b>TOTAL</b>	<b>1893</b>



Captain Thomas Bonneau

<b>NON-EMERGENCY ACTIVITY</b>	<b>FY '06</b>
<b>Building inspection</b>	<b>72</b>
Certificate of Occupancy	43
Commercial Hood Inspection	4
Day Care Inspections	13
Fire Alarm System Tests	27
Fire Drills	65
Fire Extinguisher Classes	3
Fire Investigations	25
Fire Prevention Education	11
Foster Home Inspections	4
Juvenile Firesetter Intervention	3
Knox Box Inspections	23
Permits of Assembly	63
Plan Reviews	57
Pre-construction Meetings	9
Shift Building Inspections	126
Site Reviews	8
Sprinkler Flow Tests	32
Training Sessions	307
Walk-through Inspections	119
Wood Stove Inspections	13
<b>TOTAL</b>	<b>1027</b>



## **REPORT OF INFORMATION SYSTEMS 2005 - 2006**

### **COMPUTERS AND NETWORKING**

MIS continued support of City operations in FY06. MIS support includes the Local Area Networks (LAN), Wide Area Networks (WAN) and the Institutional Network (I-NET) with all types of user administration, data maintenance and backup, virus prevention, network and personal computer (PC) hardware repairs, upgrades and maintenance, software installation, training and research and development of computer aided procedures.

Voice communications changes in FY06 included expansion of the existing system shared by the Police and Fire Departments to other City Departments. This involved cabling between and within facilities, new Voice Over Internet Protocol (VOIP) telephones and Power Over Ethernet (POE) switches. This has now provided voicemail common to departments and auto attendants when required. The primary responsibility for the City telephone systems now rests with Information Systems.

In FY06 there was continued implementation and upgrades to the Business Applications System including new hardware, an upgrade to the network operating system and updates within the system itself. Other major software changes included upgrades to the auto registration software, a new Reverse 911 system and wireless connections from Police cruisers. Planning began for implementation of a new messaging system to be deployed in early FY07 providing enhanced messaging and calendaring functionality.

In FY06 MIS capital projects included new and upgrades to servers, network operating systems and other network devices. Additional network cabling was done as part of the telephone system expansion and the rearranging of computer equipment within departments. MIS also continued the Hardware Replacement Program for PC's, printers, UPS's and multifunction copier / printers.

I-NET maintenance and configuration continued with a combined effort of City and School. This includes a commonly used firewall for security and content filtering, a common Internet email server and shared access to the Business System. The City of Rochester, NH uses the domain rochesternh.net for Internet email and has its web site at <http://www.rochesternh.net>.

FY06 introduced the first part-time City employee dedicated to the Rochester Government Channel (Channel 26 on MetroCast Cablevision). For the 2005 elections, a live election forum was broadcast on Channel 26 with the ability included for both call-in and email questions for the candidates.

## **MAPPING AND GEOGRAPHIC INFORMATION SYSTEMS**

In FY06 MIS continued to produce full size tax map prints for departments and the Strafford County Registry of Deeds. MIS also generates tax maps and other maps for the City web site in a commonly used format.

The electronic tax and topographic maps of the City are used for both public and private projects. In FY06 MIS continued to update and publish the City Zoning Maps, Wards Map and produce others for specific projects as needed such as the Comprehensive Rezoning, the Riverwalk, Police and Fire zones and for the Main Street Project.

The majority of electronic mapping data is also used for GIS viewing and analysis. One of the primary GIS coverages is the road centerlines which is kept current by MIS with new streets, renamed streets and renumbered streets both public and private. The roads coverage is incorporated into the Police Department specific program. Parcels and structures coverages are updated on a yearly basis to match with current Assessing information.

### **E-911 COMMITTEE**

MIS participates on the E-911 Committee with coordination of most mapping and data needs. MIS is also the primary contact for Verizon E-911 for the Master Street Addressing Guide (MSAG) updates, verification of all City of Rochester owned telephone lines and for Routine Address Changes.

In FY06 the E-911 Committee continued the process of reviewing problem areas, changing or adjusting street numbers administratively as allowed by City Ordinance and recommending street name related changes to the City Council. The E-911 Committee is also responsible for reviewing all new projects relative to street naming and numbering. In FY06 many new streets were created both those to remain privately owned and those dedicated to become public streets.

The E-911 Committee coordinates street names and numbers for many private roads. When access to multiple homes or parcels is over privately owned property, the owner can simply agree to follow the City adopted system and no Public Hearing is required. In FY06 private roadways included Bigos Court, Split Rock Drive, Hidden path Lane and Crestview Lane. The City provides the owners along private roads and mobile home park owners with mapping, numbering and may help with the street name approval process. In FY06 the street naming and numbering for Rochester Terrace and Westwind Estates was completed.

Rochester Terrace Mobile Home Park – Arrow Street, Atwood Street, Buffy Street, Joshua Street and Tonka Street

Westwind Estates Mobile Home Park – Country Lane (numbering only change), Cross Wind Lane, Desert Wind Lane, Trade Wind Lane and Whispering Wind Lane

Also, another mobile home park, Westwind Estates II / Lynn Lane, had a previously unnamed roadway named and numbered – Elsie Lane.

<p style="text-align: center;"><b>REPORT OF THE LEGAL DEPARTMENT</b> <b>2005-2006</b></p>
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The following is a report of the activities of the office of the City Attorney for the year beginning July 1, 2005 and ending on June 30, 2006:

During the fiscal year 2005-2006, the following cases involving the City of Rochester were concluded:

1. Robert A. Baines, Mayor, et al v. Thomas Eaton, President, et als / Merrimack Docket #04-E-028; N.H. Supreme Court Docket #2004-0707.
2. Schiavi v. City of Rochester /N.H. Supreme Court Case #2004-0805;
3. Winson v. Chadbourne, City of Rochester, et al / Docket #02-E-0214;
4. Dale Ward v. City of Rochester /Strafford Docket #05-E-0246.

In addition to the above cases, as of June 30, 2006, the following actions involving the City of Rochester were pending in various New Hampshire and Federal Courts:

1. New England Telephone and Telegraph Company v. City of Rochester / Docket #96-E-0160; \*\*
2. Public Service Company of New Hampshire v. City of Rochester and City of Rochester v. Commissioner of Transportation, et als / Docket #96-E-0165; \*\*
3. Verizon New England, Inc. v. City of Rochester / Docket #03-E-0164 and #04-E-0168; \*\*
4. Verizon New England, Inc. f/k/a Bell Atlantic f/k/a New England Telephone and Telegraph Company v. City of Rochester / Docket #97-E-0123; #98-E-0135; #99-E-0148; #00-E-0185; #01-E-0155; and #02-E-162; \*\*
5. Verizon New England, Inc. v. City of Rochester / Strafford Docket #05-E-0209
6. City of Rochester v. Carl B. Highfield, et als / Strafford Docket #04-E-0042;
7. City of Rochester v. James Corpening and George Blaisdell /

Strafford Docket #04-E-0032; N.H. Supreme Court Docket #2005-0389 and #2005-0638;

8. Schiavi v. City of Rochester / Docket #04-E-0137;
9. Donald and Heather Bigos v. City of Rochester, et al / Strafford Docket # 06-E- 0135 and #06-E-0136;
10. Krzysztof and Renata Kozlowski v. City of Rochester / Strafford Docket # 06-E-0086;

\*\* NOTE: The cases listed in paragraphs 1-4 above were transferred to Rockingham County Superior Court where they were assigned Docket Nos. 05-E-0500, 05-E-0501 and 05-E-0502 and consolidated.

It should be noted that the above listing of cases does not include various bankruptcy proceedings pending in various U.S. District Courts across the United States in which the City of Rochester has filed proofs of claims and/or other pleadings with regard to the City's various interests in such bankruptcy estates, workers compensation proceedings, and various litigation in which the City is, or was, represented by counsel provided through the City's various liability carriers.

The office of the City Attorney also provided representation to the City in numerous matters before the New Hampshire courts with respect to cases in which the City was a party, as well as before various administrative agencies when necessary. In addition, the City Attorney attended Council meetings, as well as meetings of Council committees and other City boards and commissions upon request. Legal opinions and advice were provided to the City Manager, Mayor, City Council, Department Heads and various boards and commissions of the City upon request. Legal instruments, including deeds, leases, contracts, ordinances, and amendments to ordinances, resolutions and other similar documents were drafted and reviewed as required during the year and representation of the City was provided with regard to the acquisition and disposition of real estate.

Respectfully submitted,

Danford J. Wensley  
City Solicitor



## **REPORT OF THE ROCHESTER PUBLIC LIBRARY 2005 - 2006**

Rapid growth in activity continues at the Rochester Public Library.

The number of items borrowed by our Library users hit an all time high, with annual circulation of 251,565 books and other library materials. This is up 4.5 percent from last year, with 10,811 more items borrowed.

Meanwhile, the number of Rochester Public Library cardholders reached a new high of 20,758 cardholders as the year ended, up 9.3 percent from 12 months earlier, while the number of annual visitors to the Library building increased to 173,845 visits.

Throughout the year, online use of the Library's web site continued its rapid growth. The number of "virtual visits" to the Library's web site reached 139,562 unique visits this year, a 12.9 percent increase from the previous year.

A significant milestone was reached on February 3, 2006 when the Rochester Public Library became the first public location in Rochester to offer library users wireless access to the Internet for those who arrive with laptop computers. Our Library was the first Seacoast public library and one of the first in the state to offer this service. It could also be noted that we achieved this prior to New England's largest public library, Boston Public, initiating similar access.

More than 6,500 new books and audiovisual materials were added to the Library's collection, with total purchases of library items for use by the public exceeding \$100,000 for the second consecutive year as the Library sought to meet increasing demand.

The library's popular summer reading programs again offered our children and teens an opportunity to develop and strengthen a personal love of reading. Joining the highly popular Children's Summer Reading Program (the 2006 theme: "Treasure Reading") for the fourth consecutive year was our Teen Summer Reading Program ("Dive Into A Good Book").

The 476 children who participated in this year's highly successful Children's Summer Reading Program read an astounding total of 6,639 books! This high level of reading by our children gave Rochester Public Library one of the highest totals in the entire state for summer reading participants.

Children's Services programming successes extended beyond the Summer Reading Program, incorporating 204 highly popular children's programs with total attendance at those programs exceeding 7,000 attendees during the year.

The Friends of the Rochester Public Library continued providing valuable support to the Library, including coordinating readings by local novelist Joyce Tracksler and assisting at the Library's annual book sale.

Meanwhile, the Library proudly organized and hosted the Library's popular Annual Photography Show for the 24th consecutive year. A record total of 192 photos were submitted for judging by New Hampshire, Maine, and Massachusetts residents, with Rochester resident Richard Davenport being awarded the Best of Show ribbon!

Our Library presented a series of book discussions that began with the June 23, 2005 appearance of prize-winning novelist Ben Jones, and ran through November 2005. This series of Rochester Public Library programs was a joint effort with the New Hampshire Humanities Council.

In February, the Library began offering a highly popular series of instructional programs on knitting. Additional adult programming included a special poetry reading by Nancy Paquin during National Library Week in April.

The Library also provided support for popular genealogy and writing workshops that were held at the Library through the year. The Library again hosted the volunteer tax assistance efforts available for our residents.

Our Library's web site continued providing 24/7 online, real time reference and information assistance to our residents through a Rochester Public Library link to the nationwide 24/7 Reference Service, staffed by professional librarians on duty 24 hours a day, 7 days a week.

In April, an extensive digitized history of the Rochester Public Library, complete with historic photographs, became available on the World Wide Web for viewing on the Library's web site: [www.rpl.lib.nh.us](http://www.rpl.lib.nh.us)

Staff development at the Library during the year included incorporating the nationally recognized FISH! customer service approach, and arranging for a number of staff members to visit Boston in March to attend the Public Library Association's first national conference to be held in New England.

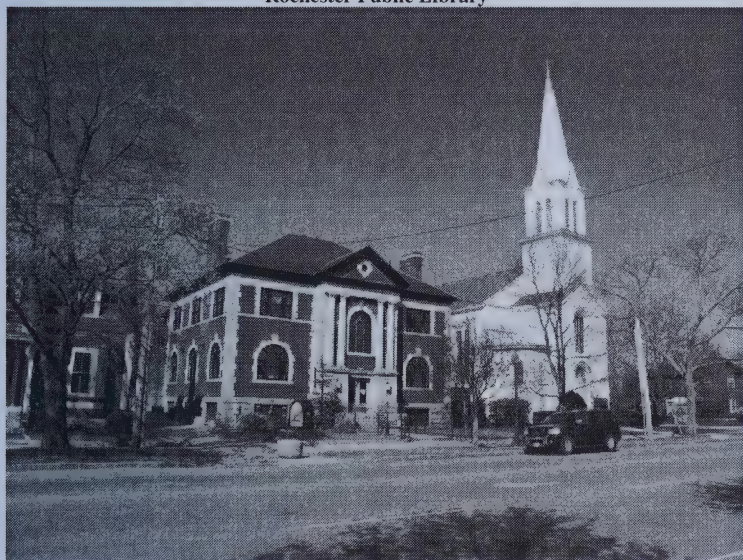
Earlier in the year, the New Hampshire Library Association's representative to the American Library Association, UNH Associate University Librarian Diane Tebbetts, made a special visit to the our Library for our Library's inclusion in a web site tour of New Hampshire libraries.

The fiscal year ended with the start of the new Summer Reading Programs for children and young adults and with the kickoff of a summertime series of programs on travel destinations by worldwide traveler Ray Turmelle that began at our Library in July.

Respectfully Submitted,

John Fuchs  
Library Director

### **Rochester Public Library**



**ROCHESTER PUBLIC LIBRARY  
2005 - 2006**

**LIBRARY COLLECTION**

Library Collection 7/1/05	88,324
Additions	6,521
Discards	2,403
Library Collection 6/30/06	92,442

**LIBRARY SERVICES**

Public Service Hours	2,966
Library Cardholders	20,758
Total Items Circulated	251,565
Reference Questions	11,636
Programs Presented	256
Program Attendance	7,707
Library Visitors	173,845
Library Virtual Visits	139,562

**ROCHESTER PUBLIC LIBRARY  
2005 - 2006**

**INCOME**

City of Rochester Operating Budget	\$864,023
Trust Fund	\$ 6,832
Fines, Gifts, Book Sale	\$ 28,937
Revenue For City General Fund	\$ 16,522
 Total Income	 \$916,314
 Trust Fund Balance 7/1/05	 \$ 19,497
Special Fund Balance 7/1/05	\$ 10,334
Grant (Health) Balance 7/1/05	\$ 1,423
	-----
	\$947,568

**ROCHESTER PUBLIC LIBRARY  
2005 - 2006**

**EXPENDITURES**

Personnel Compensation	\$526,550
Benefits	\$147,912
Insurance	\$ 7,980
Staff Development/Travel	\$ 3,473
Supplies	\$ 14,504
Library Materials, City Fund	\$ 71,167
Library Materials, Special Fund	\$ 37,775
Library Materials, Trust Fund	\$ 4,693
Library Materials, Grant	\$ 1,316
Software Maintenance	\$ 1,050
Equipment	\$ 997
Equipment Maintenance	\$ 18,565
Electronic Services	\$ 13,207
Utilities	\$ 42,721
Postage	\$ 3,305
Dues	\$ 1,070
Programming	\$ 2,538
Miscellaneous, Special Fund	\$ 743
Miscellaneous, Trust Fund	\$ 482
Transfer To City General Fund	\$ 16,522
 Total Expenditures	 \$916,570
 Operating Budget Balance 6/30/06	 \$ 8,984
Trust Fund Balance 6/30/06	\$ 21,154
Special Fund Balance 6/30/06	\$ 753
Grant (Health) Balance 6/30/06	\$ 107
	-----
	\$947,568



<p style="text-align: center;"><b>REPORT OF THE PLANNING AND DEVELOPMENT DEPARTMENT 2005 - 2006</b></p>
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**COMMUNITY DEVELOPMENT DIVISION**

The City of Rochester is one of only five designated entitlement communities in New Hampshire to receive Community Development Block Grant (CDBG) funds directly from the federal Department of Housing and Urban Development (HUD). These funds are applied towards housing and community investment projects that directly benefit Rochester residents whose income falls below 80% of the regional median (\$71,900 in 2006).

The City received \$349,000 for allocation during the 2005-2006 fiscal year. This was the first year of the 2005-2010 Community Development Consolidated Plan.

**HOUSING**

\$34,459 was used to complete handicap accessibility and health and safety improvements on five housing units under the Community Development Mobile Home Assistance Program. Twenty-two households at 50% of the area median income or below were assisted directly with improvements under the Weatherization program. CDBG funds comprised \$24,542 of the assistance, leveraging New Hampshire State Department of Energy grants as well as utility company grant assistance of \$35,279. Items specifically addressed include insulation, carbon monoxide testing, moisture assessments and the removal or correction of health and safety hazards in order to improve the general living condition of these residents.

**ECONOMIC DEVELOPMENT**

The Job Opportunity Benefit (JOB) Loan Program - is a program designed to lend money to businesses that hire and employ people of low/moderate income. This loan is generally used in conjunction with traditional bank financing to expand a business with a specific requirement that the business assisted create new jobs. Three loans totaling \$160,000 were made during the reporting period.

The City currently has ten loans\* outstanding under the JOB program:

	Original Loan	FTE Jobs to be created
Bee's Day Care	\$31,760	4
Fiesta Candy	\$50,000	8
First Star Manufacturing	\$35,000	4
Nantucket Beadboard	\$50,000	3
Slim's TexMex	\$50,000	2
Specialty Textile	\$50,000	2
Thai Cuisine	\$75,000	7
Granite Steak	\$60,000	25
Distinctive Forest	\$30,000	2
Big Heads/Bitter Creek LLC	\$70,000	
Total loans since May 2002:	\$501,760	Total Jobs: 57

*\*as of June 2006*

The Small Business Development Center is a Micro enterprise Assistance Program to provide direct counseling and advisory workshops for local small business owners. Subsidized by a grant of \$6,000, 69 low/moderate income micro-enterprise owners were directly counseled and assisted with their business plans or attended one of the many workshops offered throughout the year.

## PUBLIC SERVICE

Nine agencies received grants under this category totaling \$52,350. Community Partners/Behavioral Health assisted 12 mentally ill or homeless people with security deposit assistance. Crossroads provided 60 Rochester residents with emergency shelter. Dover Adult Education assisted 527 students with literacy, ESOL and basic needs classes. The SHARE fund was able to assure 93 people wouldn't be homeless by providing security deposits for rental housing. My Friends Place saw 56 unduplicated Rochester residents at their shelter in Dover and in their transitional housing program. Project Pride helped 37 returning students (between the ages of 17 and 21) get their GED and prepare to enter the workplace. Sexual Assault Support Services assisted 80 victims of sexual assault in the City with crisis support at the time of attack, peer support groups, counseling and advocacy. The Homeless Center for Strafford County sheltered 46 men, women and children by providing a warm, safe place to stay during the harsh winter months. A Safe Place provided emergency shelter to 263 victims of domestic violence and their children as well as ongoing advocacy and legal assistance.

## **PLANNING DIVISION**

### **Mission**

It is the mission of the Planning Division to coordinate the physical development of Rochester pursuant to the goals of promoting orderly growth, fostering efficient use of infrastructure, maintaining property values, enhancing the business climate, preserving natural and cultural resources, encouraging beauty in the built environment, and creating a special "sense of place" for present and future residents, landowners, businesses, and industries.

The major responsibilities of the Planning Division include:

- Policy development
- Drafting of ordinances and regulations
- Overseeing the zoning ordinance and processing applications for variances, special exceptions, and amendments
- Processing applications for subdivisions and site plan review
- Strategic planning
- Master Planning
- Development review
- Transportation planning
- Infrastructure planning
- Developing ordinances for the protection of natural and cultural resources
- Coordinating the E911 addressing system
- Geographic information systems (mapping) services
- Coordination of, and service to, land use boards: Planning Board, Zoning Board of Adjustment, and Conservation Commission

### **Our Approach**

This was a typically busy year for the Planning Division. The Planning Board, Historic District Commission, Zoning Board of Adjustment, Conservation Commission, or staff (as appropriate) reviewed a great number of projects.

Most of applications were approved with conditions. We work very hard with applicants to see if there is an approach or design that serves the objectives of the applicant while being consistent with the public interest and meeting legitimate concerns of abutters. Happily, we find most applicants are willing and able to modify projects as appropriate.

Projects reviewed by the Planning Board can impact the City in many different ways. There are the very visible impacts of traffic and drainage on our existing infrastructure and the less obvious, but certainly no less important, impacts on our overall quality of life.

The Planning Board and Planning Department seek to carefully consider the "softer" elements of a project as well as the harder elements like traffic, utilities, and

drainage. In our professional opinion, the difference between a "*subdivision*" which meets a variety of technical requirements and a "*neighborhood*" that adds value to our community is the softer elements. Elements that turn a subdivision into a neighborhood that is appreciated and beloved by its residents include the following (many of these same elements also contribute to turning commercial strip development into a "main street", "village center", or "downtown"):

- attractive streetscape
- walkability: sidewalks and footpaths, when and where appropriate
- setting aside some high quality natural open space
- appropriate recreational facilities, passive or active
- great landscaping
- carefully considered street furniture (benches, picnic tables, attractive fencing)
- some attractive shared space
- handsome street trees
- quality architecture, if feasible (our ability to influence this in subdivisions is limited)
- high quality infrastructure and use of good materials (such as granite curbing, where appropriate)
- a good layout of houses and buildings
- a sense of order in the development
- relatively narrow streets to calm traffic, reduce pavement, maintain a human scale, and create a pleasing sense of enclosure

### **New Projects.**

The Planning Board approved many high quality commercial and residential development projects. Highlights included the following projects:

**Flatley Company, Shopping Center, Route 202.** The Planning Board approved the flagship developer's "Rochester Shoppes" at the exit 13 interchange of the Spaulding Turnpike. The center will include a Lowe's, Kohl's, and numerous other shops and restaurants.

**Frisbie Hospital, Rochester Hill Road.** The Planning Board approved a large expansion for Frisbie Hospital. The hospital is adding 87,000+ square feet to the front of the hospital that will include a dramatic glassed entry and handsome four story contemporary design that will change the look of the institution. The project encompasses interior renovations; a new emergency room entrance (on Whitehall) and reconfigured parking lot; a new ambulance garage; and a new circulation pattern on the front side. The architecture is designed by the venerable Boston firm of Shepley, Bulfinch, Richardson, and Abbott. We are pleased about Frisbie's commitment to expand at its present location.

Frisbie recently completed its new 400-space parking lot built on Whitehall Road. This massive lot is very effectively buffered from the road and abutting residences. It is well landscaped and illuminated, gated, and connected to the main campus via a sidewalk. There is a regular shuttle service for employees. The hospital is working hard to minimize the impacts upon neighbors. It implemented a strategy to discourage employees from using the Sunset and Hillcrest Drive neighborhood as a short cut.

**Steven K. Miller, Gagne Street.** This is a residential redevelopment of the site last occupied by Camaro Heaven. The property is important for its contribution to the downtown revitalization. A reuse for fairly high density, high value condominiums at this attractive riverfront location will provide many new consumers for downtown businesses. The Planning Board, staff, applicant, his architect Lisa Destefano, and Norway Plains worked together on a number of iterations for types and layouts of buildings. Most everyone seemed pleased with the final design which included one large L-shaped building wrapping around the river and facing Wyandotte along with several groups of townhouses fronting the river and a number of duplexes and triplexes with porches on Gagne Street, above.

Other projects include:

**Free Trade, Inc., 44 Tebbetts Road:** 10-lot subdivision.

Lucille Seavey & Winthrop Hayes, Old Dover Road: **9-lot subdivision.**

**Rheume & Son, Inc./Tri-City Energy, Allen Street Extension:** Office and storage facility.

**Mark Berry, Tebbetts Road, Lowell Street, Peasley Road:** 14-lot subdivision.

**Advance Auto Parts (Primax Properties, LLC) 3 Gonic Road:** Site Plan for retail sales of auto parts.

**Grant D. Myhre, 98 Ten Rod Road:** 18,000 square foot storage & equine inspection building.

**Waste Management of NH, Inc., 90 Rochester Neck Road:** Site plan modifications and future development at the TLR-III Refuse.

**Toothpaste, LLC, 190 Wakefield Street:** Site plan for 11,397 square foot Brooks pharmacy with a separate 5,500 square foot retail building.

**Salmon Falls Road, 539 Salmon Falls Road, LLC:** 16 lot subdivision

**Highfield Commons of Rochester, LLC, Highfield Avenue:** Site plan for 126 unit multifamily–Phase II of Planned Unit Development.

**Raman Patel, 64 Highland Street:** Site plan to renovate garage as a commercial/retail establishment.

**Nantucket Beadboard Company, Inc., Chestnut Hill Road:** Site plan for construction of 14,000 square foot building at existing site.

**GL & J Realty, LLC Eastern Avenue:** Site plan for 12-lot subdivision.

**Betts Road Realty, LLC, Cross Road:** 9-lot subdivision.

**Paul & Leslie Jalbert, 131 Farmington Road:** Site plan for a proposed auto service garage.

**Trinity Conservation, LLC, Flagg Road:** Cluster subdivision for 57 lots with 114 total duplex units.

### **Historic District Commission**

A highlight for the Historic District Commission was the new building by Michael Negm at 13 Hanson Street. This is on the vacant lot next to Colby's where the fire destroyed the woodframe building that had housed Big Heads restaurant. This should be an excellent project. The first floor is intended for commercial use, a restaurant, shop, or office. The upper floors will accommodate 19 residential units. Units on the third and fourth floors will be two story units.

The building will be four stories. The front will be a deep red brick with a pre-cast concrete cornice above the first floor. The design calls for "corbelling" atop the third and fourth floors (a pattern of layered bricks stepping forward from the façade). The side elevations will be EIFS, a contemporary stucco type application. The mullions (metal separators) in the windows will be bronze colored.



*Rochester Historical Society*



***Planning Board applications (05-06)***

	<b>Total</b>	<b>Approved</b>	<b>Denied</b>	<b>Total Lots</b>	<b>Withdrawn</b>
Subdivisions	51	49	2	214	
Lot Line Revisions	19	19			0
Site Plans	27	26	1		
<b><i>TOTAL</i></b>	<b>97</b>	<b>94</b>	<b>3</b>	<b>214</b>	

	<b>Total</b>	<b>Allowed without further review</b>	<b>Sent to PB</b>	<b>Sent to ZBA</b>	<b>Withdrawn</b>
Minor Site Plan	8	7	1	0	0
Special Downtown	7	7	0	0	0
Family Day Care	0	0	0		
<b><i>TOTAL</i></b>	<b>15</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>0</b>

***Zoning Board of Adjustment applications (05-06)***

<b>Applications</b>	<b>Total</b>	<b>Approved</b>	<b>Denied</b>	<b>Withdrawn</b>
Variances	55	46	9	0
Special Exceptions	5	5	0	0
Equitable Waiver	2	2	0	0
Change of Nonconforming Use	0	0	0	0
Request for Rehearing	5	3	2	0
<b><i>TOTAL</i></b>	<b>67</b>	<b>56</b>	<b>11</b>	<b>0</b>

## **REPORT OF THE POLICE DEPARTMENT 2005-2006**

"THE PRIME MISSION OF THE ROCHESTER POLICE DEPARTMENT is the protection of life and property. This is accomplished through fair and equal enforcement, always keeping in mind the rights and dignity of the public. The basis of all Police Action is the law and credibility of the Agency. The measure of our service will be judged by the Public in the way we deliver our service. We will hold all personnel to a high level of ethical practices. This mission can be achieved through crime prevention, public relations and community policing."

### **Overview**

Rochester consists of an approximate area of 46 square miles, with an estimated population of 29,000+. The Police comprises the second largest Department in the City. Although very separate in their job functions, all of the members of the Department work together to produce a high level of service to the citizens. Our staff consists of sworn officers and a civilian support staff, including school crossing guards. The Department also maintains a Police Explorer Post. This nationally recognized division of the Boy Scouts of America "explores" law enforcement careers with young adults.

The City is divided into zones, on an east / west matrix through the center of the city for police coverage. Our Communications Center operates with enhanced 911 and is staffed 24 hours per day, by specially trained personnel. This combined center dispatches calls for service for police and fire.

A three-member-board of Police Commissioner's elected by the citizens, serves the City. Chairman Barry Flanagan, and Commissioner's Gary Stenhouse and Paul Dumont represent the citizens.

### **Personnel**

The following personnel were hired to fill open vacancies during this reporting period: Officer Steven Bourque, Officer Aaron Garneau, Officer Jeremy Aucoin, Officer Joseph Rousseau, Officer John Dupuis, Officer Matthew Flathers, Officer Michael Miehle.

The following personnel resigned or retired during this reporting period: Officer James Fox, Officer Keith Dietenhofer, Lieutenant Anne Gould, Officer John Dupuis, Officer Timothy Morgan, and Specialist Eileen Douglass.

Recognition was given to the following members:

Promotions: Gary Turgeon promoted to Lieutenant. Michael Allen promoted to Deputy Chief, Scott Dumas promoted to Captain, Anthony Bossi promoted to Sergeant, Eric Dugas promoted to Sergeant.

Twenty-year Plaques: Secretary Rebecca Warburton, Sergeant Stephen Burke.

Military Service Bar: Officer Joseph Rousseau and Officer Michael Miehle.

Distinguished Unit Action Award: This award is issued to Officers and members for outstanding service which resulted from teamwork as a unit rather than an individual effort. During this reporting period several members were recognized in various events that qualified for this award. Recognized are: Spec. Douglass, Spec. Daigle, and Spec. Griffin. Lt. Toussaint, Sgt. Deluca, Sgt. Triano, Pros. Dubay, Off. Babine, Det. Balint, Off. Bentz, Det. Boudreau, Off. Dietenhofer, Sgt. Dugas, Off. Jackson, Off. Livingstone, Det. Mangum, Off. Mackenzie, Det. Stickles Lt. Taylor, Off. Emerson, Off. Morgan, Off. Kimbrough, Off. Ouellette, Sgt. Bossi, Det. Frechette, Spec. Carll, and Spec. Reinert. Some members were recognized more than one time for this award this year.

Presentations: The 4<sup>th</sup> Annual Chief Theodore Blair Memorial Award was presented to Officer Eric Babine.

Retirement recognition was given to Specialist Eileen Douglass, retiring with 24 years of service.

Ms. Michelle Ricard was recognized for her years of service as a juror with the Teen Drug Court.

Officer Eric Ball was presented with a plaque in recognition for military service over seas in time of conflict.

Officer Mackenzie and Fina were given recognition for assisting the DEA with a search and seizure in a neighboring community.

The NH Police Standards and Training Proactive Law Enforcement Award was given to Officer's Harding, Morgan, Fox and Captain Callaghan.

NH Police Training Academy Recognition was given to Officer Brandon Kimbrough, who upon graduating received recognition for being the most improved cadet, and also received the physical fitness award.

The Chief's Award was given to Capt. Callaghan for introduction of new programs, and also to Officer MacKenzie and Fina for team cohesiveness

A plaque recognizing many years of community service was given to Anne May, Assistant Director of the Recreation Department.

A certificate of appreciation was presented to James Graham for his volunteer efforts as a camera operator for the Police Commission meetings.

A certificate of appreciation was prepared for Susan Morris, of our Code Enforcement Department for being a team player and assisting the Police Department with clerical help during a time of staff shortages.

The US Marshall's recognized Sgt. Burke and Officer Dietenhofer for assistance with Operation Falcon.

*Acknowledgments by Citizens or the Department:* The following officers and members were thanked during this year by the Department or by citizens for their assistance in the community: Capt. Allen, Off. Babine, Off. Balint, Off. Bentz, Det. Bonneau, Sgt. Bossi, Capt. Callaghan, Sgt. Deluca, the Department for Job Shadowing, Chief Dubois, Sgt. Dugas, Det. Frechette , Lt. Gould Off. Harding, Off. Je Murphy, Off. Kimbrough, Off. Kusinerz, Off. Livingstone, Off. Macaione, K-9 Team - Off. Mackenzie/Fina, Off. Mundy, Off. Pridham, Spec J. Daigle, Spec. M. Beaudoin, Spec. B. Daigle, Spec. E. Douglass, Spec. C. Griffin, Spec. H. Leonard, Det. Stickles, Supv. Swats, the Tar Team, and Sgt. Thomas.

### **Major Service Responsibilities**

Our major service responsibilities are to protect life and property through an effective partnership with the public and to address the needs and concerns of citizen customers.

We set three broad goals for the year, with several objectives. Our goals are as follows:

**1. IMPACT CRIME AND DISORDER TO IMPROVE QUALITY OF LIFE.** Our objectives under this goal included to increase the activity of the street crime unit, to create a motor vehicle enforcement unit to target traffic problem areas throughout the city, to further develop our school resource officer and crime prevention program through curriculum development in the areas of safe driving, alcohol prevention and shoplifting prevention, to enhance the department's crime analysis through creating a crime analyst position and purchasing software to enhance the comp stat program.

The motor vehicle unit was established and works closely with the patrol commander in selected areas of the City for enforcing motor vehicle law in areas identified as high traffic for motor vehicle accidents. We obtained information regarding these areas through department analysis and also from the Public Safety Committee of the City Council.

Our street crime unit had a major focus on narcotics investigations and crime prevention through techniques including motor vehicle stops, walking foot beats and conducting field interviews, tracking violent offenders, conducting surveillance and cultivating informants in areas identified as high crime or “hot spot” areas.

We received free training on investigating internet crimes against children, secured lap tops permitting us to investigate computer crimes and worked with area local, state and federal law enforcement agencies in these types of investigations. We secured memberships in beneficial programs such as the Northeast Regional Internet Crimes Against Children Task Force and the White Collar Crime Center. Both are offering free training and equipment, plus technical assistance.

We have applied a criminal review component to major cases assigned to the investigations bureau. This roundtable discussion of the facts where critical questions are asked is producing a better product and improves investigative skills.

The juvenile prevention coordinator started a juvenile drug and alcohol coalition and work is ongoing in these areas. We are implementing a pre-diversion program for juveniles involved in activities on the fringe of being criminal, with a goal to provide prevention services early.

We worked with the school administration to implement a comprehensive drug search procedure at the high school, which was tested in the spring of 2006.

We have aggressively tracked sex offenders to ensure compliance with state law.

The High School School Resource Officer focused on several crime prevention initiatives including crime line announcements at the schools and drug and alcohol prevention in conjunction with the school counselor.

Technology was increased from a hardware and software aspect. A crime analyst position was established.

**2. RE-FOCUS COMMUNITY POLICING EFFORTS.** Our objectives under this goal included to redefine the coalitions, integrate new officers involvement with coalitions, increase neighborhood park and walks, host a citizen’s police academy, maintain the downtown liaison with CORE, add crime line component to comp stat to increase pay outs.

We laid the groundwork to redefine our coalitions. We plan to hold quarterly ward-based meetings involving stakeholders in the neighborhoods. Our citizen’s academy graduated a full class on April 25, 2006. There was great success in presentation and



participation due in large part to the many different members of the department that taught course segments. There was positive feedback from all in attendance. We are working to involve graduates of the course in our volunteer program.

We continue to be active members of CORE. The DARE program was taught in all schools who requested it this year, by the School Resource Officers. We held a meeting with the Rochester landlords association to discuss disorderly residences and have assigned an officer to liaison with the group, providing data on repeat offenders/locations.

A seminar dealing with fraudulent checks was facilitated by the Police Department for area bankers, so they can identify suspicious checks and know what procedures to follow. Members of the US Postal Service and the Banking Compliance Office also participated.

A cyber crime prevention package for school-age children and parents was developed.

The street crime unit made a presentation to the local Rotary club on identification and dangers related to crystal methamphetamine.

**3. IMPROVE MORALE.** Our objectives under this goal included working on staff development via safe team expansion, enhanced training (active shooter/ simunitions, as well as getting officers to free or low cost training beyond mandatory training, to complete monthly morale reports, to reestablish mentoring programs, to complete retention plans and to achieve accreditation.

Staff development is an area we continue to focus on. We have met each of the areas under this objective. The SAFE Team is working toward regionalization and increasing team members. Firearms instructors developed an excellent training program for mandatory firearm and use of force training, using real-life scenarios. The active shooter program, completed in April of 2006 received positive feedback and will be expanded in the years to come.

Mentoring programs have been reestablished with the recent new hires, promotions and temporary assignments.

Retention plans all were done for most members. There is a need to revisit them every six months to ensure we are still on course and to adjust concerns as needed.

Monthly morale reports were completed to establish a base line from which supervision could work, without losing sight of the morale issue. A decision was uniformly made by all members that these reports were no longer necessary. A commitment was made by staff to keep morale a central communications issue.



Accreditation is still a work in progress, with a goal to be complete by the Spring of 2007.

### **Fiscal Year Accomplishments**

We are pleased to report the following year-end achievements by your police department:

We continue to observe the benefits of the comp stat system.

Installation of Reverse 911.

Management Restructuring, adding the position of Deputy Chief.

Installation of AVL / GPS (automated vehicle locator / global positing satellite) in the cruisers.

Upgrade to cellular mobile data transmissions for the in-car computers.

Ability to investigate major crime without the assistance of outside agency resources.

Institution of a Crime Analyst Position.

MIS moved to function of City Department under one bureau.

Memorandum of agreement between the City and the Police Commission regarding roles.

Major refocus of supervision to a coaching model.

Began work to upgrade communications center radios with assistance from grant through the State Lawnet Program.

Reinstituted the Citizen's Police Academy.

We restructured the investigative services bureau to include defined members doing property crimes, person crimes and a drug unit. This has allowed us to increase our attention to drug and street crime issues that impact the quality of life. We have included a computer related component and have increased our exposure to other State and Federal agencies working on fraud and computer related crimes.

We expanded our Tactical Team to a County program with the support of area Chief's and the County Sheriff. The expansion of the team is ongoing.

## **Commentary**

The fiscal year accomplishments are a direct credit to the Police Commission and staff. I would like to publicly thank the men and women of the Rochester Police Department for the hard work and dedication over the past year. We also recognize the City Council for the funding and support of various projects and programs. Paramount to our success is the support of the citizen's of the City. With areas that we track on the rise,

we remain creative and enthusiastic, providing safety services in the fifth largest community in the State.

## **Future**

It is our vision that the Rochester Police Department will continue to be a cornerstone of progress and a model police department in service to our citizens, constantly improving the quality of services that we render. We are prepared to do our part in balancing and prioritizing our services to the community. We will continue to develop our expanded ability in some areas to provide diversified services along with the rest of progressive law enforcement. We are committed to offering the best service to the residents and visitors to the City, which can be accomplished through our community policing programs, advanced technology and input from our citizens.

Respectfully Submitted,

Chief David G. Dubois

Rochester Police Headquarters



## **REPORT OF THE PUBLIC WORKS DEPARTMENT 2005 -2006**

The Public Works Department is committed to protecting the safety, health, and welfare of its residents and visitors by providing clean water, removing and treating sewage, and maintaining our roads, sidewalks, public buildings, parks and City cemeteries. This department works with the Mayor, City Council, City Manager, and all other departments, to provide the best service within our means.

The Department helped with community projects such as: Lilac Family Fun Festival, Moonlight Madness, the Summer Festival, the Christmas Parade and the hanging of downtown Christmas holiday season decorations.

The 2005-2006 winter was a fairly typical winter with 26 treatable storm events. The amount of sand applied to the roads was approximately 859 tons and 2988 tons of salt was used.

Richard Cousins came on board in March 2006 as the Highway/Fleet Supervisor. He has been an excellent addition to the DPW management team.

During the weekend of May 13, 2006, there was approximately 11 inches of rainfall that caused significant flooding and damage in low-lying areas around the city's rivers and streams. DPW employees rose to the occasion as they do with all such emergencies. Approximately 2500 residents had to be evacuated from the vicinity of the Salmon Falls River as a precaution due to the uncertainty over the integrity of the Spaulding Dam located on the Rochester/Milton city line. The evacuation order lasted approximately 18 hours.

Many of the steeper sections of the city's streets experienced shoulder washouts that were repaired by the city's highway forces. Additional flooding by the Axe Handle Brook washed out the Chesley Hill Road Bridge and significantly damaged the culvert under Ten Rod Road between Four Rod Road and the Farmington town line.

### **The Public Works capital improvement projects initiated or completed during the Fiscal Year include:**

- This was the third year of a three year \$6 million repaving program. Under this program the following streets were repaved as of June 30 : Ridgewood Drive, Barrington Lane, Durham Lane, Estes Road (from Route 202 to Oak St.), Dry Hill Road (north of Route 202), Darby Lane, Maplewood Avenue, Rochester Avenue, Vernon Avenue, Hampshire Avenue, Watson Drive, Roulx Drive, Paradise Drive, Sprucewood Avenue, Sonata Lane, Forest Avenue, Sunview Drive, Jarvis Lane, Old Dover Road (from Charles to Tebbetts), Tebbetts (from Old Dover Road to Pickering), Windhaven, Continental, and Lowell Street (from Tebbetts to Old Dover Road). The following streets received a pavement overlay: Cemetery Road, North Main Street (Chestnut to Twombly), Columbus Ave (Wakefield to Winter), and Signal Street,
- A one and one-half year sewer extension project on Chestnut Hill Road which included installation of Chestnut Hill Road sewer pump station,

reconstruction of 8-inch sewer forced main from Lydall Manufacturing Company, extension of sewer main on Chestnut Hill Road to just north of Spaulding Turnpike overpass, replacement of water main from 6 inch to 12 inch, installation of curbing and sidewalks was completed and accepted by the City in September 2005.

- A project was completed in conjunction with the school department to expand the parking lot at the community center and to install a new sports playing field west of the community center building.
- Work began on the Route 11 widening, in the vicinity of Little Falls Bridge Road and Wal-Mart.
- Work began on the comprehensive two-year program to reduce inflow and infiltration of storm water and groundwater into the sanitary sewer system in East Rochester. The project began with work on the reconstruction of Portland Street and many of the side streets in East Rochester
- Installed approximately 6,600 feet of water main on Whitehall Road between Chamberlain Street and Salmon Falls Road. This linked together two high-pressure zones in the water system.
- The Salmon Falls water storage reservoir was taken out of service in the spring to begin coating rehabilitation.
- Minor roadside drainage improvements began in the neighborhood that includes Crockett Street, Cider Hill Road, Edgewood Drive, and Richardson Street.

Public Works reviewed and oversaw privately financed construction of the following streets in preparation for acceptance by the City: Amanda Lane, Winkley Farm Road, Woodside Lane, Katie Lane, Sullivan Farm Road, Tessier Drive, Fiddlehead Lane,

Additionally, the department reviewed and issued 81 driveway permits and 68 excavation permits

The department manages the regional household hazardous waste collection effort annually. A household hazardous waste collection took place on May 6, 2006 at the Waste Management of New Hampshire Landfill. Approximately 290 vehicles dropped off waste at the event.

## **WATER DIVISION**

The staff at the Water Treatment Plant continues to comply with the State and Federal Drinking Water standards. This is accomplished through teamwork and a dedicated staff. We provide a quality product and service and seek complete customer satisfaction. The Water Treatment Plant staff listens, acknowledges, responds, takes action, reports and follows up with all aspects of operations.

The plant continues to run very well and produces a high quality drinking water. The Water Treatment plant treated and filtered 756,360,000 million gallons of water with an average daily flow of 2.02 Million gallons per day. This is 9 million gallons more than the previous year. The carbon filter was rehabilitated this year. This work included replacing the filter media, as well as, various repairs to the filter and backwash system.

We painted approximately 600 of the 1200 hydrants located throughout the distribution system. The overall appearance of the facilities continue to improve. A new entrance at the treatment plant was added for safety to prevent falling snow and ice.

Raw water pump No. 1 was rebuilt. This was original equipment to the facility. This overhaul has improved the plant efficiency.

A back up generator was installed at the Richardson Street Pump station to maintain uninterrupted water service. In addition, telemetry was added to this station to allow us to monitor conditions remotely and respond to the needs of the station more efficiently.

The Salmon Falls 2.0 MG water storage tank was painted and inspected to ensure sanitary and structural integrity to help improve water quality.

#### Distribution:

The distribution crews were very busy repairing 8 water main leaks and 14 water services leaks and relaying 15 services. 5 broken water gates were repaired. We also replaced 6 fire hydrants, put in 15 water taps for contractors. A new 8" water main to connect Dublin Way and Blake Street was installed. Spring and fall fire hydrant flushing was completed.

## SEWER DIVISION

The Division of Public Works Wastewater Treatment Facility is dedicated to the treatment of wastewater that flows into our facility from Rochester, East Rochester and Gonic and to delivering a clean, clear and safe effluent into the Cochemo River.

The present day advanced wastewater treatment facility is designed to treat an average flow of 5.0 million gallons per day (mgd) with a peak design flow of 16 million gallons per day (mgd). The city operates under the strict effluent limitations and the monitoring requirements contained in the July 23, 1997 National Pollution Discharge Elimination System (NPDES) Permit.

During the fiscal year we had two record setting rain events, which pushed both the treatment process and staff to the upper limits. While it was a trying time it provided us with an opportunity to improve our skills and knowledge necessary to develop wet weather operating plans and guidelines for future events. We also are taking part in a year-long pilot study using solar powered pond circulators in our wastewater lagoons to replace our aeration blowers. It is our hope that these circulators will enhance the mixing, natural aeration and effluent quality while reducing energy consumption and sludge volume all without producing odors. We are in the preliminary stages of designing modifications to the alum sludge lagoons for proper drainage, treatment & disposal. Lastly we are moving forward on the installation of SCADA systems at all of our remote wastewater pumping stations to provide monitoring, reporting and alarming capabilities.



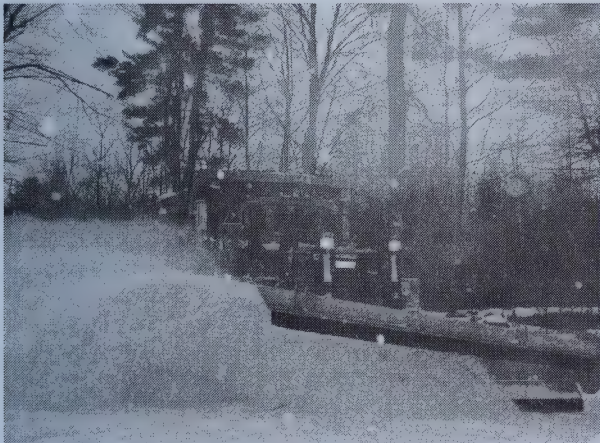
The Wastewater Treatment Facility continues to operate below projected O&M costs for power, chemicals, equipment maintenance and plant staffing levels. The staff continues to put forth an outstanding effort to achieve permit compliance through operational control, preventative maintenance, teamwork & training.

The Wastewater Treatment Facility treated 1,455,274,000 gallons of wastewater. The average daily effluent flow was 3,987,052 gallons. The facility continues to produce a high quality effluent and is running extremely well as we have removed 444,613 pounds of CBOD (97%) and 649,073 pounds of TSS (98%). We have also received and treated 2,169,610 gallons of septage.

## **HIGHWAY/FLEET DIVISION**

The Highway/Fleet Division is dedicated to ensuring the City's streets are maintained in the best possible condition within funding constraints. Responsibilities include maintaining all paved and gravel roads, sidewalks, pavement markings, traffic signals, street trees, drainage facilities, as well as insuring that the public works fleet of vehicles and equipment are in good running order.

This fiscal year the Highway crews were diligent in emergency repairs due to the May floods. Highway crews also shimmed nine streets. In support of the pavement rehabilitation program, crews redefined ditch lines and graveled shoulders on several streets. Numerous pavement cuts were repaired. 27 catch basins were installed and or repaired throughout the City. Crews installed 260 feet of culverts at various locations as well as major road repairs to Chestnut Hill and the Waste Water Treatment Facility.



**Rocky Nau driving the plow truck**



## **BUILDINGS & GROUNDS DIVISION**

The Buildings and Grounds staff has been very busy keeping the City's thirteen buildings and several parks in the best condition possible. The division has received many compliments on the jewel of Rochester's parks – the Rochester Common.

Health and Human Services renewed their lease at the Community Center starting July 1, 2005 and ending in 2010. The Work Futures moved from a 600 square foot office to 1,020 square foot space located in the Community Center. Handicapped accessible doors were installed at the Community Center, City Hall and also at the Revenue Office.



Trails at Pickering Ponds

**REPORT OF THE DEPARTMENT OF  
RECREATION, ARENA AND YOUTH SERVICES (RAYS)  
2005-2006**

The following Vision Statement exemplifies RAYS philosophy. *The Department of Recreation, Arena and Youth Services (RAYS) is committed to providing recreational and community programming aimed at enriching the quality of life in Rochester. We strive to maintain meaningful connections with the community by providing programs, services and facilities that foster a healthy community.*

Highlights for 05-06 included the Volunteer Recognition Celebration to honor 15 community volunteers with 120 family and friends in attendance, expanded Concerts on the Common, and Skate With the Champs to honor the Division II High School Hockey Champions.

Participant numbers have increased with the addition of the following programs: Neighborhood Camp, 3-5 year old basketball, Mommy and Me Swim Lessons, Family Fun Nights at the Pool, Senior Game Time, and Water Aerobics.

Free quarterly community events that attract several hundred families have also been established: Winterfest (although the weather did not cooperate this year), Earth Day, National Night Out and Halloween on the Common.

Summer programs continue to expand and grow. Summer Camp now has 455 participant slots, a 20% increase over the previous year. Four different age groups have been established: Rec Rangers for 6-8 year olds, Explorers for 9-10 year olds, Quest for 11-12 year olds and Teen Adventure for 13-15. Three swim lesson sessions of 10 lessons each are offered for all levels. Camp and swim lessons continue to be popular summer programs with Rochester residents.

The Recreation and Arena Commissions meet monthly to offer support and guidance for the programming in the department.



**Rochester Arena**

<p style="text-align: center;"><b>REPORT OF THE SUPERINTENDENT OF SCHOOLS</b> <b>2005-06</b></p>
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To the School Board and Citizens of Rochester:

During the 2005-2006 school year, Rochester School Department continued the focus on reading and math instruction at all levels. All eight elementary schools are making progress toward the 90% Reading Goal. The East Rochester Annex nearly reached this goal in the Spring of 2006.

### **Reading and Mathematics Instruction**

The district intensified its quest for stronger reading and mathematics instruction and improved student performance in these two crucial areas. The district adopted a Three Tier Reading Model. This model provides high quality instruction 90 minutes per day in reading. Any students needing additional help are taught for 30 additional minutes, tier-two instruction. Some students require further intervention, the third tier of support.

The District continued to implement the K-12 Standards-Based Math Program. Spaulding High School piloted the Math Connections program for several ninth grade students; the District has adopted Math Connections for full use during the 2005-2006 school year.

In addition to the remarkable mathematics improvement, the District continued to enjoy progress toward its goal of 90 percent of its students reading at or above grade level by the end of grade 3, and maintaining that level of performance in subsequent grades.

Chamberlain Street School and Maple Street School were awarded a Reading First Grant. This grant provides intensive support for grades K-3 students in reading and reading interventions.

### **Facilities**

The renovations as part of the Honeywell project created a busy summer and school year. East Rochester Annex replaced their steam heating pipes with hot water heat, installed a new air ventilation system, and a new boiler. Chamberlain Street School had two new boilers installed, a new ventilation system, new classroom heating units, William Allen School had a new ventilation system installed, Spaulding High School had two new boilers, new classroom heating units, a new ventilation system, and all schools are transitioning to electronic thermostats in each classroom.

**Rochester Special Education Revenues and Expenditures**  
As required by RSA 32:11-a

**Table 1: Special Education Revenue**

	2003-04	2004-05	2005-06
Tuition from other districts	393,191.10	291,764.84	288,775.70
Tuition for foster children	0.00	0.00	0.00
Catastrophic Aid (State)	422,457.35	436,283.75	653,998.74
Medicaid Reimbursement (Federal)	432,462.93	425,690.06	429,868.72
Special Education Grants (Federal)	932,065.48	942,038.07	1,000,119.00

**Table 2: Special Education Expenditures**

	2003-04	2004-05	2005-06
Salaries and Benefits	7,704,353.96	7,925,940.10	8,560,899.10
Tuition and Contracted Services	1,730,110.35	2,159,697.40	1,742,511.04
Supplies and Equipment	81,453.37	73,307.09	53,676.33
Other expenses	23,857.68	37,978.19	102,370.71
Special Area Administrative Services	309,656.85	386,823.56	512,782.84
Transportation	499,258.91	533,326.56	483,468.08

**Table 3: Revenue to Expenditure Analysis**

	2003-04	2004-05	2005-06
Total Revenues	2,180,176.86	2,095,776.72	2,372,762.16
Total Expenditures	10,348,691.12	11,117,072.90	11,455,708.00
Net Local Cost	8,168,514.26	9,021,296.18	9,082,945.84

**Table 4: Sources of Revenue as Percent of Total**

	2003-04	2004-05	2005-06
Federal Sources	13.19%	12.30%	12.48%
State Sources	4.08%	3.92%	5.71%
Other Sources	3.80%	2.63%	2.52%
Local Property Tax	78.93%	81.15%	79.29%

**School Board Membership and Staffing**

Rochester School Department  
**July 1, 2005 - June 30, 2006**

**July 1, 2005 - December 30, 2005**

**January 1, 2006 - June 30, 2006**

<u>Seat</u>	<u>Member</u>	<u>Seat</u>	<u>Member</u>
Ward 1	Peggy Parker Audrey Stevens	Ward 1	Peggy Parker Audrey Stevens
Ward 2	Nancy Warren Daniel Harkinson	Ward 2	William Brennan Nancy Warren
Ward 3	John Connelly Gerard Gilbert	Ward 3	John Connelly Diane Moody
Ward 4	Raymond Lundborn “Jae” Duntley	Ward 4	John Rossi “Jae” Duntley
Ward 5	Pamela Hubbard Charles DeVito	Ward 5	Pamela Hubbard Charles DeVito
Ward 6	Frank Callaghan Robert Watson	Ward 6	Frank Callaghan Robert Watson
At-Large	Anne Grassie	At Large	Anne Grassie

***Standing Committees***

<b>July 1, 2005 - December 30, 2005</b>		<b>January 9, 2006 - June 30, 2006</b>	
<u>Committee</u>	<u>Members</u>	<u>Committee</u>	<u>Members</u>
Building	John Connelly, Chair Frank Callaghan Gerard Gilbert	Building	John Connelly, Chair Frank Callaghan Diane Moody John Rossi Robert J. Watson
Finance	Nancy Warren, Chair Charles DeVito John Connelly Gerard Gilbert Anne Grassie Daniel Harkinson Robert J. Watson	Discipline	Pamela Hubbard, Chair “Jae” Duntley Rotating Third Member
		Finance	Nancy Warren, Chair

Instruction	Daniel Harkinson, Chair Anne Grassie Robert J. Watson		Charles DeVito John Connelly "Jae" Duntley Anne Grassie Pamela Hubbard Audrey Stevens Robert J. Watson
Personnel	Gerard, Gilbert Chair Charles DeVito Audrey Stevens		
Special Services	Robert J. Watson, Chair "Jae" Duntley Peggy Parker	Instruction	Anne Grassie, Chair William Brennan Charles DeVito Pamela Hubbard Robert J. Watson
		Personnel	Audrey Stevens, Chair John Connelly Anne Grassie Peggy Parker Nancy Warren
		Policy	"Jae" Duntley, Chair William Brennan Charles DeVito Anne Grassie Nancy Warren
		Special Services	Peggy Parker, Chair Frank Callaghan Diane Moody John Rossi Robert J. Watson

*Special Committees*  
*July 1, 2005 - December 30, 2005*

<u>Committee</u>	<u>Members</u>	<u>Committee</u>	<u>Members</u>
Discipline	Daniel Harkinson, Chair Pamela Hubbard Rotating Board Member	Joint Field Development	John Connelly, Chair Gerard Gilbert Charles DeVito
Policy Revision	Charles DeVito, Chair Anne Grassie Phillip Stiles		



**Central Office Administrators**

Michael L. Hopkins, Superintendent of Schools  
Kent Hemingway, Assistant Superintendent of Schools  
Sharon Pray, Director of Pupil Services  
Sally Riley, Curriculum Coordinator  
Susan Deese, Curriculum Coordinator  
Marty Brennan, Title I Director  
David Yasenchock, Chief Technology Coordinator  
Richard Kalisz, Facilities Manager  
John Laverdiere, Director of Buildings & Grounds

**Principals**

Robert Pedersen, Spaulding High School  
Walter Helliesen, Rochester Middle School  
Steve LeClair, Chamberlain Street School  
Nancy Loud, East Rochester Annex (Teaching Principal)  
Teresa Bailey, East Rochester School  
Martha Wingate, Gonic School  
Barbara McDowell, Maple Street School (Teaching Principal)  
Arlene Walker, McClelland School  
Nancy Booth, School Street School (Teaching Principal)  
Robert "Rob" Hanson, William Allen School

**Assistant Principals**

William Douglass, Spaulding High School  
Susan Randall, Spaulding High School  
James O'Rourke, Jr., Spaulding High School  
Richard Towne, Spaulding High School  
John Safina, Rochester Middle School  
Linda Sutton, Rochester Middle School  
Gwen Guess, Chamberlain Street School  
Maureen Oakman, East Rochester School  
Robin Brown, McClelland School  
Rebecca Ruel, William Allen School

**School Nurses**

Nancy Graham, RN (Head Nurse)  
Christine Ballentine, RN  
Claudette Bayko, RN  
Holly Borrazas, RN  
Karla Deinstadt, RN  
Robin Hutchins, RN  
Stepahnie McSharry, RN  
Jennifer Saucier, RN  
Bethann Welch, RN

<p><b>REPORT OF THE TAX COLLECTORS DEPARTMENT</b> <b>2005-2006</b></p>
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The responsibilities of the Tax Collector's office consist of collections of property taxes, water & sewer utility bills, and other city department collections from the library, police department, recreation etc. The Tax Collector's office executes property tax liens on delinquent taxes, files tax redemptions & notifies all mortgagees for all property owners that are at risk of going to Tax Deed. We collect all monies from Current Use, & Tax & Timber.

The Tax Collector's office also processes auto registrations. In 2005-2006 we processed approximately 35,582 registrations totaling \$4,185,745.18. We are a Municipal Agent through the State of NH therefore we issue plates & decals for an added cost of \$2.50 per registration. In the year 2005-2006 we collected a total of \$66,010.00 in municipal agent fees.

For the 2005-2006 year we collected on approximately 26,975 water & sewer bills.

Revenues collected by the Tax Collector's Office:

Total Warrant	38,024,453.00
Timber & Gravel Tax	29,448.61
Int Delinquent Taxes	295,089.94
Chg Tax for CU Removal	353,310.69
Motor Vehicle Permits	4,185,745.18
Misc-RR Natl Bk Tax	1,457.87
Water	2,712,339.71
Sewer	3,579,459.88

The Tax Collector's Office consisted of three full time employees and four part-time employees. Our goal in the office is to provide courteous & efficient service to all of our customers.

I would like to thank my staff for all their hard work through out the year:  
Karen Paquette-Deputy Tax Collector, Virginia Gray-Clerk Typist, Shirley  
Gray-Clerk Typist, Patricia Cox-Clerk Typist, Lorraine Morin-Clerk Typist,  
& Annette Dashnaw.

Respectfully Submitted,

Doreen Jones, CTC  
Tax Collector



Rochester Revenue Building

## **REPORT OF THE WELFARE DEPARTMENT 2005-2006**

In compliance with RSA 165, the welfare department for the City of Rochester administers local emergency assistance for individuals and families who may be poor and needy, and who require help in a financial crisis. It is our mission to provide quality assistance to those in difficult circumstances and to do so in a financially responsible manner for city taxpayers.

The City of Rochester budgeted \$450,000.00 for direct assistance for fiscal year 2005-2006. A total of \$601,000.00 was expended. A supplemental of \$151,000.00 was approved to continue assistance through the end of the fiscal year. This represents a 6.5% increase over year prior. There were several reasons for the amount needed for FY05-06. Rents increased and vacancies were difficult to find. Our office was seeing a higher number of foreclosures and potential loss of homes. The job market had tightened up. As has been true for the last several years, the waiting lists for subsidized housing remained at the 3-5 year wait time, and disability decisions at the state and federal level were still taking up to a year. Our office assisted 471 families and 351 individual households.

There was good news though. We increased our staff by 2 part-time clerical positions in April. We continued our annual Toy Bank collaboration with the Rochester Fire Department helping families in financial distress at Christmas. Our Back-to-School collaboration with Grace Community Church outfitted 80 children with new backpacks and needed school supplies. And, we received an all-time high in reimbursements through this department to the City: \$96,155.80. As in years prior our office received \$10,000.00 from the McKinney Grant (HUD money). These monies are discretionary, and are used generally for utility arrears, and from time to time with those individuals who may be categorically ineligible to apply for General Assistance.

**Issuance of General Assistance Vouchers for Families:**

Burial.....	1,135.00
Dental.....	440.00
Electricity.....	20,312.00
Food .....	658.28
Fuel Heating.....	23,319.38
Gas .....	2,325.46
Household Goods.....	197.50
Medical .....	.00
Miscellaneous .....	.00
Mortgage.....	37,089.89
Prescriptions.....	38,802.50
Rent.....	246,672.70
Temporary Shelter (motel).....	5,223.47
Transportation .....	.00
<b>TOTAL</b>	<b>\$376,176.18</b>

Average cost per case \$798.68

**Issuance of General Assistance for Individuals**

Burial.....	2,000.00
Dental.....	2,235.00
Electricity.....	7,124.49
Food .....	205.00
Fuel Heating.....	12,580.39
Gas Heating.....	200.00
Household Goods.....	135.00
Medical .....	3,426.66
Miscellaneous .....	.00
Mortgage.....	6,584.52
Prescriptions.....	33,465.37
Rent.....	158,170.54
Temporary Shelter (motel).....	3,234.21
Transportation .....	184.69
<b>TOTAL</b>	<b>\$229,545.87</b>

Average cost per case \$653.98

**Total vouchers issued**

**\$605,722.05**

I would like to thank the following staff for their dedicated service to this office: Gail Bennett, departmental secretary (over 24 years); Todd Marsh, social worker, Crystal DeButts and Nancy Sirois (newly hired clerical staff). Their assistance through this incredibly busy year has been greatly appreciated.

Respectfully submitted,

Lynn Carey  
Director of Welfare





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